



2017  
INTEGRATED  
SUMMARY  
REPORT

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#### FORWARD-LOOKING STATEMENTS

Some of the information we provide in this document is forward-looking and therefore could change over time to reflect changes in the environment in which GE competes. See Forward-Looking Statements on page 41 for more information.

#### NON-GAAP FINANCIAL MEASURES

Some of the financial measures we provide in this document are non-GAAP financial measures. For more information, see *Financial Measures That Supplement U.S. Generally Accepted Accounting Principles Measures (Non-GAAP Financial Measures)* on page 93 of our 2017 Annual Report on Form 10-K.



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*This document provides an overview of General Electric. It does not contain all of the information that you should consider. Please read our entire 2017 Annual Report and 2018 Proxy Statement carefully before voting or making an investment decision.*

THROUGHOUT THIS DOCUMENT, WE USE THE FOLLOWING ICONS

 POWER	 RENEWABLE ENERGY	 OIL & GAS	 AVIATION
 HEALTHCARE	 TRANSPORTATION	 LIGHTING	 CAPITAL

# DEAR INVESTORS, CUSTOMERS, PARTNERS, AND EMPLOYEES:

*On August 1, 2017, my first day as CEO, our more than 300,000 employees had an email from me waiting in their inboxes. In it, I promised that I would “always own up to what is going well and what is not.”*

I will do the same with investors. When I look back at 2017, there's no doubt: GE had a very tough year.

Revenues were down 1% at \$122.1 billion, and we delivered \$(0.68) in earnings per share (EPS) on a GAAP basis. Excluding charges for insurance-related items, U.S. tax reform, and industrial portfolio actions, EPS was at the low end of our reduced guidance for the year, at \$1.05.<sup>1</sup> In 2017, GE returned \$12.1 billion to investors through dividends and buyback.

While most of our businesses delivered solid—and, in the cases of Aviation and Healthcare, world-class—performances, our cash flow was challenging. We took significant charges at Capital and Power Conversion and made painful cuts to GE's dividend and employment. We lost some of the intense focus on operations and rigorous execution that have been GE's hallmarks for generations.

Many people have lost faith in us. I have not. As difficult as 2017 was for everyone connected with GE, it was also a chance to reflect on what this Company means and why it exists.

1. Industrial Operating + Verticals EPS adjusted to exclude significant charges taken in the fourth quarter including GE Capital insurance-related charges of \$0.91 per share, tax reform-related charges of \$0.40 per share, and Industrial portfolio-related charges of \$0.18 per share.



## How we are building a stronger GE

I want to be very clear on one thing: While I am not proud of our performance, I am incredibly proud of this Company. Our technology solves the world's toughest problems. We fight for and support our customers in more than 180 countries. We innovate and drive new industrial paradigms like additive manufacturing and software and analytics. We launch products that lead in their industries. We operate with the highest integrity and commitment to compliance. We invest in our leaders and in developing global, diverse talent. And our employees dedicate themselves day in and day out to fulfilling GE's mission.

If anything gives me faith in our future, it is the passion and resolve of our teams. On one level, many of them are disappointed and frustrated. I get that. On another level, I see a competitive drive aflame in them. The passion to be the best we can be for our customers. To win in the marketplace. To fight for our reputation. People who bet against that do so at their own peril.

We have a lot to work on, but we have a lot to work with.

I have talked very publicly about what I think the challenges have been at GE. The power and oil and gas markets were tough. Our metrics were too focused on EPS and operating profit and not enough on cash. We lost too much of our focus on operating rigor and discipline. And even though our teams had sustained track records of success in challenging times, hindsight suggests that we might have benefited from more debate about challenges in our tougher markets and a more skeptical assessment of the risks they posed.

Some of the people who follow the Company closely, like media and analysts, examine the past and demand accountability. I understand this. Our leadership team, Board, and employees have devoted meaningful time to identifying lessons we ought to learn and how we ought to be applying them. History teaches that you cannot move forward effectively and with purpose until you truly understand what happened in the past.

- 1 | DELIVER  
OUTCOMES FOR CUSTOMERS**
- 2 | STRENGTHEN  
OUR BUSINESSES TO THRIVE  
IN THE DECADES AHEAD**
- 3 | RUN  
THE COMPANY FOR CASH**
- 4 | DRIVE  
A CULTURE OF CANDOR  
AND ACCOUNTABILITY  
IN OUR TEAMS**

Our eyes are wide open. We already have made significant changes across our leadership teams at Corporate and Power and will continue to hold every member of every team at GE accountable for the type of performance to which our shareholders are entitled. That said, how the Company is being portrayed in certain quarters is overwrought and, in most cases, does not reflect the reality of GE that our customers and employees are seeing around the world.

For our investors and many others, this is a "show me" moment. We need to explain to you what moving forward looks like and what we'll do differently to build a stronger GE. In a lot of ways, this feels familiar to what I saw when I

became the CEO of Healthcare and the business had been struggling. There are things we need to fix. But we can. We know how to. And we will.

Our primary focus must be on delivering outcomes. We don't define that solely by the number of gas turbines, wind turbines, jet engines, or CT scanners we manufacture. The ultimate purpose of our work is the children in distant villages who get access to electricity for the first time, the travelers who get home safely, and the patients who receive better diagnoses and treatments in the moments that matter most. When our teams understand customer needs and deliver outcomes for them, we always end up in a good place for our employees and our owners.

The center of gravity in the Company needs to be the business units. We will support them from the center only where we clearly and demonstrably add value—like shared research and technology, shared services, global footprint, brand, and leadership development. We completed a zero-based budget review of our Corporate operations, and in 2017 we reduced Corporate costs by \$0.5 billion. We will cut more in 2018. I am determined to explore every avenue and option to make sure our businesses have the resources and flexibility to maximize their potential in the years to come.

This includes revisiting the Company's structure. We know that we can improve by running our businesses better within our current structure. The more fundamental question we must examine is whether there are other ways that would allow us to achieve even better results. Would different structures open new and better options for our businesses? Could those be managed, given other constraints we have in the Company?

These considerations have been widely reported as a plan to "break up" GE. They are no more and no less than a desire and an obligation to explore every option to ensure the best results for our customers, employees, and owners. We will continue to review this in 2018, and we will take steps only when we see a clear path to better long-term outcomes for GE. There will be a GE in the future, but it will look different from how it does today.

## RUNNING OUR BUSINESSES BETTER

When we talk about running our businesses better, we really mean four things—customer outcomes, our business units as the center of gravity, running the businesses for cash, and driving a new culture for the future. Let me walk through some of the specifics in more detail.



### 1 DELIVER OUTCOMES FOR CUSTOMERS

Our customers are our "North Star," and their outcomes guide everything we do. Moving forward, we will more rigorously align our capital allocation strategy with customer needs and market realities. Above all, we are and will always be a company that values our customers, our relationships with them, and our commitments to them.

Our relationship with American Airlines is a good example. In the aftermath of 9/11 and subsequent airline industry bankruptcies and mergers, GE invested in the industry when no one else would, and many strong relationships were born of that loyalty. At our senior leadership meeting in Boston this past January, Robert Isom, the president of American Airlines, credited that trust between his company and ours for American's success. "American Airlines today wouldn't be here in the shape and the form it is without GE and the relationships that were built over the years," he said. "We need GE to be great."

Whether it's our largest customers like American Airlines or a local shop, our customers are counting on us to understand their problems and bring to bear all of GE's capabilities to solve them. One way we are bringing new levels of innovation and productivity to our customers—and

simultaneously empowering our businesses—is through digital applications. We're seeing time and time again the outcomes we can deliver for customers when we pair our technology with software and when analytics enable us to do more than equipment alone can do.

We're not aiming small. Our Aviation and Digital teams, in collaboration with Qantas, built FlightPulse,<sup>™</sup> the first mobile application built entirely on the Predix platform for the industrial IoT. FlightPulse is a post-flight analytics app that enables pilots to see their own operational flight

We're also inventing a new future for GE through additive manufacturing. We are learning how to create more advanced designs while reducing cost through the elimination of traditional manufacturing constraints.

We're already experiencing the benefits in our Aviation business, which used additive manufacturing to develop a new turboprop engine in just two short years. The engine, which passed its inaugural test at the end of 2017, combines more than 850 separate components into just 12, saving more than 5% in weight. More than one-third of the

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data and monitor their own performance, all through their tablets. Using GE's Flight Efficiency Analytics Suite, including FlightPulse, Qantas is on track to increase its annual fuel savings to more than 30 million kilograms of fuel, or a 1% savings. The driving force behind this transformation is data: When you have the data, you can put it to work, gain insights, and deliver results.

Digital is critical to our future, but we are tightening the scope of where and how much we're going to invest. Our sales teams' win rates are twice as high and cycle times are half as long when they sell Predix offerings into our own installed base. Predix-powered orders were up over 150% in 2017. So we're focusing on our core installed base market—where we know our businesses can win—and expect Predix product revenues will double in 2018, to approximately \$1 billion. We also will leverage our partners to pursue digital opportunities beyond our core industries. There is absolutely no change in our belief in the digital future—only some adjustments in our approach.

engine is 3D-printed, which will help provide our customers with a 20% improvement in fuel burn and 10% more power than competitor offerings in the same size class.

The potential is disruptive, and the work that our teams already have done in this important area reflects GE at its very best. In 2018, each of our businesses will have a specific additive manufacturing adoption strategy and goals.

Finally, we streamlined our Global Research Centers from nine to just two, and focused more tightly and in a more deliberate manner on using them, along with our Ventures arm, as technology accelerators. They are feeding new research into game-changing technologies like energy storage, cell therapy, digital medical imaging, and other systems. Again, no change in our philosophy of shared technology and innovation—just a sharpening of our investment and approach.

# 2

## STRENGTHEN OUR BUSINESSES TO THRIVE IN THE DECADES AHEAD

Next, we need to do whatever it takes to make sure our business segments have the capability, resources, and structures to create these outcomes.

When I first took stock of our portfolio, I saw a series of competitive businesses that were fundamentally strong. But they play in infrastructure industries that have experienced significant disruption—from globalization, digitization, shifting demands, and new players.

I concluded that we were running too many businesses at once to do them all justice. We had to admit we didn't have the financial and management bandwidth to have so many large, global businesses in the open throttle position that they need to progress.

We are narrowing our long-term focus to three key industries where our impact is greatest: aviation, health, and energy. We run competitive businesses with market-leading positions in each of these sectors, industries that are positioned for major long-term growth. To support them, we are shifting GE's center of gravity away from headquarters to empower the businesses with more resources. We have identified more than \$20 billion of assets for potential exit and currently have more than 20 dispositions in active discussions.

The past year already brought some significant changes to our businesses. In July, we completed the transaction to create Baker Hughes, a GE company (BHGE), in which we hold a 62.5% stake. In the third quarter, we combined our Energy Connections business with our Power business to form one integrated business called GE Power.

Our performance by business was mixed for the year:



**Aviation** grew margins 100 basis points while delivering 459 LEAP<sup>2</sup> engines with improving cost positions. Growth in commercial and military services helped offset margin pressure from the launch and production ramp-up of LEAP.



**Healthcare** grew revenue by 5% and margins by 70 basis points, and new product launches like Pristina<sup>™</sup> patient-

2. LEAP is a registered trademark of CFM International, a 50-50 joint venture between Snecma (Safran) and GE.

assisted mammography helped drive continued growth. With leading positions in imaging and life sciences, together with our digital and analytics capabilities, Healthcare is well-placed to transform the future of the industry.



**Renewable Energy** increased profit by 26%. Its agreements to supply wind farms in Sweden, Australia, Thailand, the U.S., and many other places around the world will generate 8 gigawatts of renewable power.



Markets for our Transportation and Oil & Gas segments remained challenging, leading to lower volume and profit in those segments. But despite a difficult North American freight rail market, the **Transportation** team landed some exciting customer wins, including a 200-locomotive order with Canadian National Railway—the largest order from a Class 1 railroad to any equipment manufacturer since 2014.



**Oil & Gas** is making strong progress on integration and synergy targets are on track. The team secured several major commercial wins, including its first fullstream agreement with Twinza to support an offshore project in Papua New Guinea.



**Current and Lighting** operating profit was \$93 million, up from a loss of \$56 million last year. Current is helping customers like Walmart, JPMorgan Chase, and GM save millions of dollars in energy costs through sensor-enabled LEDs and software applications. Lighting partnered with retailers to lead the LED shift while innovating in the smart-home market, including launching the world's first lighting product embedded with Amazon's Alexa Voice Service.

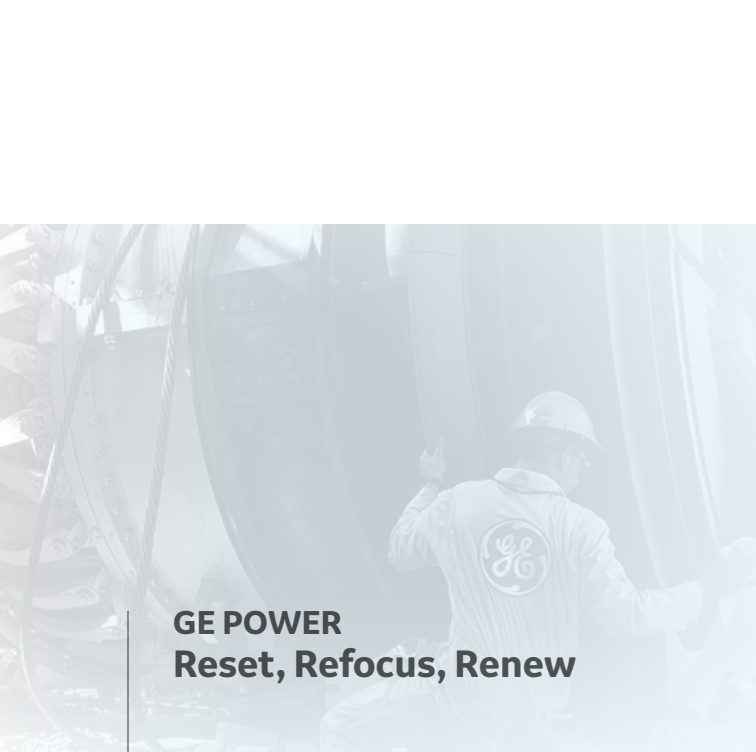


**Capital** enabled \$14.4 billion of industrial orders in 2017 and ended the year with \$157 billion of assets, including \$31 billion of liquidity. However, we incurred \$0.91 per share of charges related to our run-off insurance operations and related actions we are taking to make Capital smaller and more focused, while continuing to focus on vital industrial partnerships. While we exited most of our insurance operations more than a decade ago, in 2017 we took a charge to add to our insurance reserves for our run-off insurance operations. We are disappointed in the magnitude of this charge, but we think these actions, along with suspending dividends from GE Capital to GE, will be sufficient to restore GE Capital's capital adequacy to appropriate levels by the end of 2019.



**Power** is competing in an environment that is far more challenging than we anticipated this time last year, and its earnings were down 45% in 2017. We are preparing for a market that could be as low as 30 gigawatts in 2018, deteriorating further into 2019. And it will take us into 2019 to right-size our business for this. Over the past several months, we have examined every inch of this business and we have a plan to reset, refocus, and renew Power.





## GE POWER Reset, Refocus, Renew

In Power, we continuously think of the one billion people without access to electricity. Today, nearly 600 million of those people reside in sub-Saharan Africa, facing unique opportunities and challenges in transforming their energy systems. On a recent trip to the region, I witnessed the dynamics of an evolving energy ecosystem involving almost every fuel type, challenges in transmission and distribution infrastructure, and a critical need for project execution and financing capabilities. We also see how properly managed electrification helps enable growth; in Ghana, for example, GDP growth rates have risen from 3.5% in 2016 to 5.9% in 2017, and are expected to reach 8.9% in 2018.<sup>3</sup>

The dynamic nature of Power across the globe has become increasingly local and complex. Customers everywhere are seeking energy solutions with the best cost, lowest carbon footprint, and greater reliability and resiliency. In 2017, we also felt the disruptive nature of renewables penetration into the energy mix. While renewables are here to stay, we know that gas and other fuel types will remain important.

To remain competitive, we know we must operate in a leaner, more cost-efficient way. Over the past several months, we launched a three-part strategy to **Reset**, **Refocus**, and **Renew** GE Power.

**Reset** is about getting “back to basics.” In 2017, we consolidated the legacy Power and Energy Connections businesses, both of which included Alstom entities, into one business unit—giving us an end-to-end view of the energy value chain. We’ve launched a plan to fully realize the benefits of the combined business by:

### **Reducing structure and manufacturing footprint.**

We announced plans to reduce our global headcount by approximately 12,000 positions and cut \$1 billion of structural costs<sup>4</sup> in 2018. We are planning to reduce manufacturing capacity by 30% or more, and we’ll continually evaluate further reductions depending on market demand.

### **Improving cash conversion.**

We have established clear performance goals and are executing focused plays through dedicated teams. In 2017, we changed our Global Supply Chain leadership, and they are actively working to double our current inventory-turn performance, to eight, by 2020, starting with a \$1 billion reduction in inventory in 2018.

**Refocus** is about defining a clear path forward across our asset lifecycle.

### **Expanding product and service margins.**

In 2017, we received a majority of global Heavy Duty Gas Turbine awards, with the HA leading in its space. But we navigated challenging HA turbine launch margin dynamics, as well as margin compression in our service business. We know we can improve margins in both areas. Consolidating our IT systems is giving us better visibility into operations in real time so we can make smarter decisions to improve them; our new CIO is streamlining our infrastructure to 80% fewer applications.

### **Maximizing services dollars per installed asset.**

We have a 1,600-gigawatt installed base of assets in the world. We lost focus on holistically driving revenues across our entire fleet, especially our transactional portfolio. With new leadership, we are making progress in balancing this focus, and identified \$1 billion in new service opportunities at the end of 2017.

**Renew** is about our commitment to become a leaner, more focused, and more efficient business with better cash and income returns. We will continue to develop high-technology products that will lead our industry. We also are investing in software and growth incubators around storage, distributed grids, and grid automation so we can successfully lead the global shift to decentralized, decarbonized, and digitized electricity infrastructure.

Our transformation will take time, but we know we can run Power in line with our own and shareholder expectations. Our teams are focused, committed, and up to the task.



**Russell Stokes**  
President & CEO, GE Power

3. IMF World Economic Outlook, October 2017.

4. Structural costs exclude the effects of acquisition and disposition activity.



# 3

## RUN THE COMPANY FOR CASH

Cash is top of mind for us and our investors, and our performance through the first three quarters of 2017 fell short. Our higher-than-expected \$7.8 billion of Industrial CFOA<sup>5</sup> in the fourth quarter reflects our improving discipline and execution. We will continue to increase our visibility and execution on cash.

It's a similar story on costs. We came into the year with a structural cost-out target of \$1 billion. We raised that in the third quarter, to \$1.5 billion, and we delivered a little higher than that, at \$1.7 billion for the year. We will cut an additional \$2 billion in structural costs in 2018. In addition, we are particularly focused on product costs, attacking cost of quality, reducing manufacturing overhead, and accelerating the implementation of additive design and manufacturing.

Cost cuts also lead to reductions in workforce. We recognize that they can profoundly disrupt impacted employees, their families, and their communities. We can never lose sight of what those cuts mean in people's lives.

Finally, we are ensuring that we have compensation programs, goals, and metrics that drive us to perform on a consistent basis over the long term. We are focusing on simpler reporting metrics like revenue, operating profit, and free cash flow. Compensation for our senior executives now includes a higher mix of equity, and our annual bonus program will be more closely tied to each business' performance. These changes are designed to motivate our teams and leaders to focus on execution and cash.

## We will continue to increase our **visibility** and **execution** on cash.

The other side of running GE better is building stronger processes around capital allocation and managing enterprise risk. We have established a robust capital allocation framework and process in the past six months.

This will allow us to improve capital allocation on two levels. We have added more quantitative measures to assess alternatives for deploying the Company's excess cash flow and to make it easier to compare the relative risk and return of dividend policy, share repurchases, acquisitions, divestitures, and joint venture investments. These will include things like intrinsic value analysis in the case of share repurchases, optimized capital structures and dividend policies, and a constant evaluation of our portfolio assets and where we want to expand or contract.

The reality, though, is that most of the Company's capital is already allocated before getting to these kinds of topics. I view *every single decision*—whether it is product development, salesforce size, or other everyday factors—as a capital allocation decision. We must weigh these empirically and hold teams accountable for the results.

We formed an investment committee reporting to me that includes all our business unit leaders. They help assess where we invest—making sure we allocate to the highest and best risk-adjusted returns, double down on areas where we have strong prospects, and reduce capital flow into areas that have lesser prospects. There will be—and should be—winners and losers in our capital allocation process.

5. Excluding deal-related taxes and principal pension plan funding on a BHGE dividend basis.



# 4

## DRIVE A CULTURE OF CANDOR AND ACCOUNTABILITY IN OUR TEAMS

For the past three decades, I always have been proud to say that I work at GE. The bedrock of my confidence comes from our people. GE teams built the first jet engine in the U.S., pioneered the LED, and designed the first MRI scanner for the brain. The passion, meritocracy, diversity, and integrity of our people have been—and always will be—the cornerstone of who we are.

Yet there are lots of opportunities to sharpen how we work. I am constantly pushing for more accountability at all levels of GE. I believe the culture we need to foster starts with me, and I have taken tangible steps in that direction.

For example, all employees can ask me questions and give me feedback through an internal website. The community chooses which questions I'll answer by video every Friday. These videos won't win any awards for cinematography, but they are valuable for me to reach the team directly and personally.

I receive a lot of feedback and insights through that site, email, and other tools. No opinion or question is off limits for me or the leadership team. For example, I received a lot of constructive feedback about some of the content in an employee broadcast last November. I heard the team's concerns loud and clear, responded immediately, and we moved forward.

I'll continue to communicate responsively and candidly with employees, and I'm demanding the same of my leadership team. We talk almost every day, and we meet formally every two weeks to collaborate on strategy, risks, and execution across GE's business units.

We also are significantly reducing the size of our Board and bringing in new experts with fresh perspectives. This revamped Board will continue to help move GE forward.

The best people, the best culture—this is what makes everything else possible. At the end of the day, we exist to deliver outcomes for our customers, performance for our owners, and an environment for our employees that motivates them, excites them, and rewards them for delivering those outcomes and that performance.

## THE PATH FORWARD

All of this makes 2018 a reset year. This is the next step in our evolution.

Of course, we aren't operating in a vacuum. We see protectionism and nationalism continue to rise in many places amid growing U.S.-China trade tensions, uncertainty about the future of NAFTA and other trade agreements, and new import tariffs around the world. Even business leaders, traditionally the champions of open markets, are turning inward; 55% of executives surveyed around the world in our recently released Global Innovation Barometer think protectionist policies will benefit their businesses.

As a global multinational with operations in more than 180 countries that sells more than 60% of what we make to customers abroad, we disfavor barriers to trade, investment, and the movement of people. At the same time, in an increasingly protectionist world, our global footprint becomes more and more of a singular asset. GE will continue to be a strong voice in support of free trade and robust international competition.

On balance, we are encouraged by stronger global economic growth. Developed markets remain key to GE, but we are redoubling our focus on China, India, and emerging markets like Southeast Asia, the Middle East, and Africa. More than 1.5 billion people around the world still lack access to the basics of modern healthcare, electricity, and contemporary transportation. India and the Middle East will each need to order about 30 gigawatts of electricity every year to meet the needs of their growing populations. China will need to add three million hospital beds by 2020. Southeast Asian countries spend more than \$180 billion on infrastructure every year. GE stands uniquely ready to meet these huge needs.



**EVERY 2 SECONDS**  
an aircraft powered by  
GE technology takes off



Everyday, GE is  
helping doctors save  
**3,000 LIVES**



GE powers over  
**30% OF THE**  
**WORLD'S ENERGY**

We see an especially strong focus in the emerging markets on economic diversification, digital transformation, and industrialization and a sense of urgency everywhere to do everything faster. For example, Saudi Arabia's ambitious Vision 2030 Plan, which will build 9.5 gigawatts of renewable energy by 2023, portends a profound shift from being an oil-based economy to a greener one. We are helping our customers and the world reduce emissions, use less energy, save money, and increase reliability. And we go beyond the technology, connecting capital to customers and building local teams that understand the countries and cultures in which they work and how to win.

We have our work cut out for us. But we will continue to drive the world forward because we tackle its biggest challenges. A few weeks ago, I got to meet Bernadette Gabel, the young daughter and personal hero of a member of our Global Operations team, Chris Gabel. She was born with an exceedingly rare heart defect: two separate conditions that appear together in just one out of every 40 million people, meaning it's likely to afflict fewer than 200 people on the planet. Bernadette is a strong little girl who endured three open-heart surgeries before her third birthday. Wearing a pretty pink dress and a big, beautiful smile, she stood on the stage with her dad at our leadership gathering in January thanks to the healthcare technologies that GE developed.

Then, with Bernadette in his arms, Chris challenged us to keep working to give children more years with their parents and parents more years with their children. "Let us be that company that isn't afraid to take risks in developing breakthrough technologies that will change the game for our customers, for GE, and for the world," Chris said. And we are going to take him up on it.

You can find these kinds of inspirational stories everywhere across GE. Like the team of engineers, designers, and managers outside Paris who designed a better mammography machine, one that takes away a primary obstacle keeping people from lifesaving screenings: fear. The new system,

engineered for women by women, increases comfort for 80% of patients and decreases anxiety for most of them, all without sacrificing image quality or increasing exam time.

Our Renewable Energy and Capital teams are partnering on a project to erect 179 GE wind turbines, each twice the height of the Statue of Liberty, in the Markbygden forest in northern Sweden. When complete in 2019, it will be the largest operating wind farm in Europe, generating 650 megawatts of electricity and increasing Sweden's installed wind generation by 12%.

And as Hurricane Irma ravaged the Gulf last year, a GE Healthcare team in Miami helped keep open six hospitals even as most other facilities were forced to evacuate.

GE's people have always built technology to improve human life in profound ways. I will use the privilege of leading this great Company to improve the many ways we make that happen both inside and out. As I said in that first email on my first day in the job: "Doing what we said we would do matters."

Now it's time to take what we've learned, recommit to the fundamentals, and dedicate 2018 to earning back your trust and delivering for you.

Thank you for your support, investment, and belief in GE.

**John L. Flannery**

Chairman of the Board and Chief Executive Officer  
February 23, 2018



## GE EXECUTIVE TEAM



**John L. Flannery**  
Chairman of the Board  
and Chief Executive  
Officer



**Jamie S. Miller**  
Senior Vice President  
and Chief Financial  
Officer, GE



**Vic Abate**  
Senior Vice President  
and Chief Technology  
Officer, GE



**Alex Dimitrief**  
Senior Vice President  
and General Counsel, GE;  
President and  
Chief Executive Officer,  
GE Global Growth  
Organization



**Bill Ruh**  
Senior Vice President  
and Chief Digital Officer,  
GE; Chief Executive  
Officer, GE Digital



**Aris Kokedjian**  
Vice President,  
Business Development,  
GE



**Raghu  
Krishnamoorthy**  
Senior Vice President and  
Chief Human Resources  
Officer, GE



**Sue Siegel**  
Chief Innovation Officer,  
GE; Chief Executive Officer,  
GE Business Innovations



**Daniel Janki**  
Senior Vice President,  
Business  
Transformation, GE



**David Joyce**  
Vice Chair, GE;  
President and  
Chief Executive Officer,  
GE Aviation



**Russell Stokes**  
Senior Vice President,  
GE; President and  
Chief Executive Officer,  
GE Power



**Jérôme Péresse**  
Senior Vice President,  
GE; President and  
Chief Executive Officer,  
GE Renewable Energy



**Kieran Murphy**  
Senior Vice President,  
GE; President and  
Chief Executive Officer,  
GE Healthcare



**Rafael Santana**  
Vice President, GE;  
President and  
Chief Executive Officer,  
GE Transportation



**Lorenzo Simonelli**  
Senior Vice President,  
GE; President and  
Chief Executive Officer,  
Baker Hughes,  
a GE company



**Alec Burger**  
Vice President, GE;  
President,  
GE Capital

## OUR 10-K RESULTS



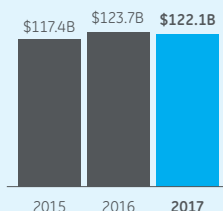
“GE had a challenging year in 2017. While most of our businesses showed solid—and, in the cases of Aviation and Healthcare, world-class—performance, our cash flow did not meet our expectations, we took significant charges at GE Capital and we made difficult decisions regarding the dividend and members of our team. As we move forward, we are focusing on running our businesses better. This really means concentrating on four things: customer outcomes, strengthening our business units, running the Company for cash and driving a new culture for the future. We are also continuing to review every option to ensure the best results for our customers, employees and owners.”

### John L. Flannery

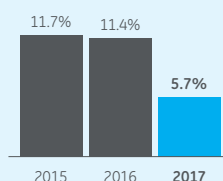
Chairman of the Board and  
Chief Executive Officer

### Revenues & Profit Margins

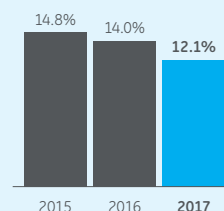
Revenues



GE Industrial margins



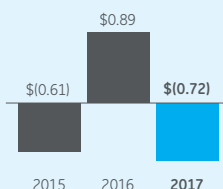
GE Industrial operating profit margins (Non-GAAP)<sup>1</sup>



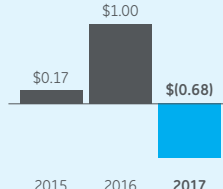
### Earnings (Loss) Per Share (EPS)<sup>2</sup>

EPS for 2017 was adversely affected by several large charges, as described on the following page

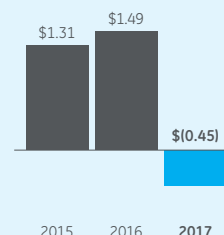
Net EPS



EPS from continuing operations

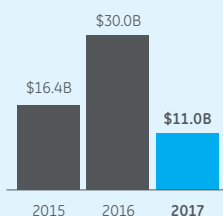


GE Industrial operating + verticals EPS (Non-GAAP)<sup>1</sup>

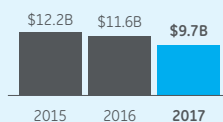


### Cash Flows

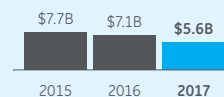
GE cash from operating activities (CFOA) from continuing operations<sup>3</sup>



Adjusted GE Industrial CFOA (Non-GAAP)<sup>1</sup>



GE Industrial free cash flow (Non-GAAP)<sup>1</sup>



1. See Financial Measures That Supplement U.S. Generally Accepted Accounting Principles (Non-GAAP Financial Measures) on page 93 of our 2017 Annual Report on Form 10-K.

2. Amounts attributable to GE common shareowners.

3. Includes common dividends from GE Capital to GE of \$4.3B in 2015, \$20.1B in 2016 and \$4.0B in 2017.

# SIGNIFICANT DEVELOPMENTS IN 2017

# 1

## Leadership and Board changes

**John Flannery became CEO and Chairman** in August & October, respectively. Mr. Flannery is a 30-year GE veteran whose experience includes leading, most recently, the turnaround of GE Healthcare, as well as business development, GE's industrial presence in India, and GE Capital's presence in Asia Pacific. The GE Board selected Mr. Flannery after a multiyear succession process.

**Our CFO and other members of the senior leadership team have also changed since mid-2017.** Jamie Miller became CFO in November, and several other new business and functional leaders have been appointed (e.g., Russell Stokes for Power, Kieran Murphy for Healthcare, Rafael Santana for Transportation and Alec Burger for GE Capital).

**We are planning to significantly reduce the size of our Board** at the 2018 shareowners meeting and will nominate new directors with fresh perspectives and relevant expertise.

# 2

## Financial results significantly below our expectations

**Full-year results were significantly below guidance provided in December 2016** for earnings, cash flows and cash returned to investors (dividends and buyback).

### Key drivers for earnings (loss) included:

- Significant charges from an increase in reserves related to GE Capital's run-off insurance operations, U.S. tax reform and portfolio-related actions;
- Market and other challenges in our Power and, to a lesser degree, Oil & Gas businesses; and
- Strong performance in other GE businesses (especially Aviation and Healthcare) and lower Corporate spending, which were not enough to overcome those headwinds.

### Key drivers for cash flows included:

- Industrial performance, including income (especially at our Power business), working capital performance and cash flows from contract assets that were below our expectations; and
- Lower common dividends from GE Capital than originally planned.

# 3

## Capital allocation, cost and portfolio actions

**Completed the transaction to create Baker Hughes, a GE company (BHGE)** in July, and closed the sale of our Water & Process Technologies business in September. See page 17 for additional details about M&A during the year.

**Cut our quarterly dividend from \$0.24/share to \$0.12/share** in November, reflecting a reset of a payout level that exceeded our free cash flow. We are planning for a more balanced capital allocation with a mix of dividend payments and investments in the Company.

**Exceeded our target on cost reduction.** We had strong execution and discipline on cost, particularly at Power and from steps to make Corporate smaller and more focused.

**We have identified \$20B+ of industrial assets that we plan to exit over the next two years,** and we continue to review strategic portfolio options. We are also planning to substantially reduce the size of GE Capital.

# INVESTOR FRAMEWORK FOR 2018

In November 2017, we provided initial guidance on our financial outlook for 2018 and simplified the number of metrics in our annual framework to the two primary measures below.

<b>OUTLOOK</b> UNDER NEW MEASURES	<b>Adjusted EPS (Non-GAAP)<sup>1</sup></b>  <b>\$1.00–1.07</b>	<b>GE Industrial free cash flow (Non-GAAP)<sup>1</sup></b>  <b>\$6–7B</b>														
<b>WHY</b> WE CHOSE THESE MEASURES	<p>We believe this measure provides a better sense of earnings from the ongoing operations of our businesses than the GAAP measure of EPS from continuing operations. When reporting on this basis, we adjust the GAAP measure to remove the effects of the items below:</p>	<p>“Free cash flow” is generally used to measure cash available for capital allocation priorities after taking capital expenditures into account. We report GE Industrial free cash flow (Non-GAAP), which represents the CFOA of our industrial businesses after deducting our gross capital expenditures (additions to property, plant &amp; equipment and to internal-use software). The measure also removes the effects of the items below:</p>														
	<table><tr><th>Exclusions</th><th>Why</th></tr><tr><td>Gains</td><td rowspan="2">These items reflect portfolio actions, restructuring and other activity, rather than earnings we anticipate from ongoing operations of our businesses</td></tr><tr><td>Restructuring and other charges</td></tr><tr><td>Non-operating pension cost (Non-GAAP)<sup>1</sup></td><td>This item varies based on the timing of funding, interest rates and pension investment returns, rather than GE’s performance</td></tr></table>	Exclusions	Why	Gains	These items reflect portfolio actions, restructuring and other activity, rather than earnings we anticipate from ongoing operations of our businesses	Restructuring and other charges	Non-operating pension cost (Non-GAAP) <sup>1</sup>	This item varies based on the timing of funding, interest rates and pension investment returns, rather than GE’s performance	<table><tr><th>Exclusions</th><th>Why</th></tr><tr><td>Deal taxes</td><td>Free cash flow does not include proceeds from dispositions, so we also exclude the related tax payments</td></tr><tr><td>Principal pension plan funding</td><td>In 2018, we plan to fund our principal pension plans for the next three years</td></tr><tr><td>Certain BHGE-related cash flows</td><td>We exclude our Oil &amp; Gas segment’s CFOA and gross capital expenditures because, although we consolidate those cash flows, they do not represent movements of cash between GE and BHGE; we include dividend payments from BHGE to GE as cash available for GE to use</td></tr></table>	Exclusions	Why	Deal taxes	Free cash flow does not include proceeds from dispositions, so we also exclude the related tax payments	Principal pension plan funding	In 2018, we plan to fund our principal pension plans for the next three years	Certain BHGE-related cash flows
Exclusions	Why															
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Non-operating pension cost (Non-GAAP) <sup>1</sup>	This item varies based on the timing of funding, interest rates and pension investment returns, rather than GE’s performance															
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<b>COMPARABLE GAAP MEASURES<sup>2</sup></b>	<b>EPS from continuing operations</b> <p>We cannot provide an equivalent GAAP guidance range without unreasonable effort because of the uncertainty of the timing and events affecting earnings as we execute on restructuring actions and business portfolio changes.</p>	<b>GE CFOA from continuing operations</b>  <b>~\$3–4B</b>														

1. See *Financial Measures That Supplement U.S. Generally Accepted Accounting Principles Measures (Non-GAAP Financial Measures)* on page 93 of our 2017 Annual Report on Form 10-K.

2. See pages 102–103 of our 2017 Annual Report on Form 10-K for additional details and reconciliations of the measures used in our investor framework for 2018 to these GAAP measures.

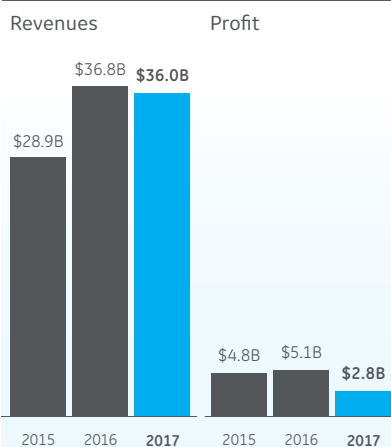
## How Our Segments Performed

### POWER



**MISSION:** Powering lives & making electricity more affordable, reliable, accessible & sustainable<sup>1</sup>

**Major products:** technologies, solutions & services related to energy production, including gas & steam turbines, engines, generators, high-voltage equipment, power generation services & digital solutions



#### Other 2017 results

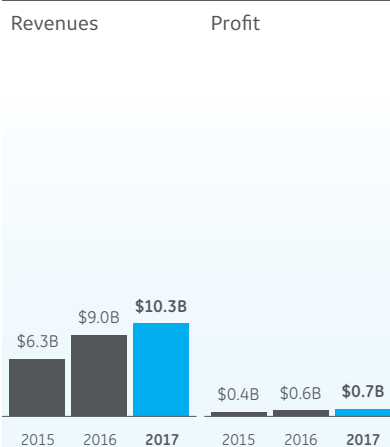
**Profit margin:** 7.7% ▼ 610bps  
**Orders:** \$37B ▼ (13)%  
**Backlog:** \$98B ▲ 3%

### RENEWABLE ENERGY



**MISSION:** Making renewable power sources affordable, accessible & reliable for the benefit of people everywhere

**Major products:** onshore & offshore wind turbines, wind turbine blades, hydropower solutions



#### Other 2017 results

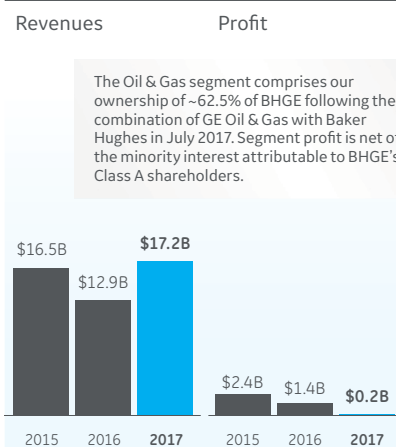
**Profit margin:** 7.1% ▲ 70bps  
**Orders:** \$10B ▲ 1%  
**Backlog:** \$15B ▲ 15%

### OIL & GAS



**MISSION:** Providing leading physical & digital technology solutions to enhance customer productivity across the oil & gas value chain

**Major products:** oilfield services, oilfield equipment, turbomachinery & process solutions, digital solutions



The Oil & Gas segment comprises our ownership of ~62.5% of BHGE following the combination of GE Oil & Gas with Baker Hughes in July 2017. Segment profit is net of the minority interest attributable to BHGE's Class A shareholders.

#### Other 2017 results

**Profit margin:** 1.3% ▼ 950bps  
**Orders:** \$17B ▲ 56%  
**Backlog:** \$21B ▲ 1%

### 2017 Competitive Dynamics

- + Positive:** Momentum on cost reduction efforts; maintaining ~50% share in heavy-duty turbine market; expanding digital products & digital order backlog
- Negative:** Declining heavy-duty gas turbine market & over-capacity driving down pricing/margins; challenging dynamics in Aero market, including customer financing availability; lower demand for services upgrades; supply chain over-capacity; tougher competitive dynamics on transactional services
- 🔄 Outlook:** Markets will remain challenging, with increasing renewables in energy mix; positioning for lower demand, with opportunity to improve margins with cost reduction & improved operational execution

- + Positive:** Strong revenue & orders growth from repowering projects, new product introductions & digital capability; closed LM Wind Power acquisition; significant focus & execution on technology enhancement & lower product cost
- Negative:** Increasing pricing pressure & need for innovation due to continued competitive pressure from other wind turbine producers & energy sources
- 🔄 Outlook:** Positioning the onshore & offshore wind businesses to drive value for customers by in-sourcing blade production & developing larger, more efficient turbines; strong focus & execution on lower product cost

- + Positive:** Solid growth in shorter-cycle businesses (oilfield services & digital solutions); increased rig count & oil prices; strong progress on BHGE integration & synergies
- Negative:** Despite some stabilization, large-scale customer investments remain muted
- 🔄 Outlook:** Strength in short-cycle businesses driven by North America onshore activity; long-cycle businesses stabilizing as environment improves

1. Beginning in the third quarter of 2017, the Energy Connections business within the former Energy Connections & Lighting segment was combined with the Power segment and presented as one reporting segment called Power.



## How Our Segments Performed

### AVIATION



**MISSION:** Providing our aviation customers with the most technologically advanced & productive engines, systems & services for their success

**Major products:** commercial & military engines & services, aviation systems, additive manufacturing machines

### HEALTHCARE



**MISSION:** Making precision health a reality—delivering outcomes by digitally connecting precision diagnostics, therapeutics & monitoring

**Major products:** healthcare diagnostic imaging & clinical systems, life sciences products & services, digital solutions

### TRANSPORTATION

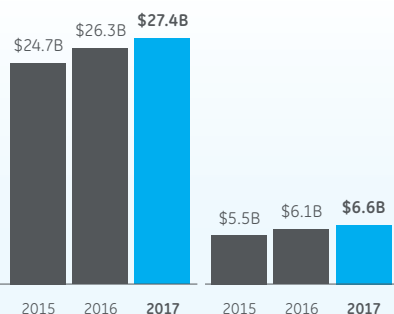


**MISSION:** Being a global technology leader & supplier to the railroad, mining, marine, stationary power & drilling industries

**Major products:** locomotives, rail services, digital solutions, mining equipment, diesel engines

Revenues

Profit

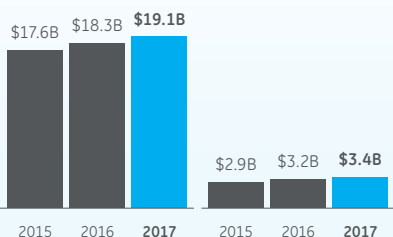


#### Other 2017 results

**Profit margin:** 24.3% ▲ 100bps  
**Orders:** \$30B ▲ 12%  
**Backlog:** \$170B ▲ 10%

Revenues

Profit

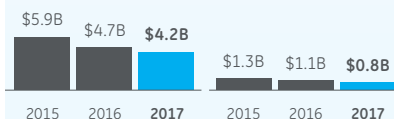


#### Other 2017 results

**Profit margin:** 18.0% ▲ 70bps  
**Orders:** \$20B ▲ 6%  
**Backlog:** \$18B ▲ 8%

Revenues

Profit



#### Other 2017 results

**Profit margin:** 19.7% ▼ 290bps  
**Orders:** \$5B ▲ 51%  
**Backlog:** \$18B ▼ (11)%

### 2017 Competitive Dynamics

- Positive:** Strong end market with high passenger revenue & load capacity factors; LEAP engine ramp on track; growth in commercial & military services offsetting margin pressure from LEAP new product launch
- Negative:** LEAP launch driving pressure to margin rate, but overall strong launch performance & execution
- Outlook:** Strong services cycle & outlook; continued strong end markets; positioning business for continued growth & productivity through investments in digital & additive technology

- Positive:** Customer demand for integrated precision health solutions; portfolio depth; analytics capability; productivity gains & margin expansion
- Negative:** Uncertainty within U.S. market persists, driven by regulatory reforms; new entrants in digital & mobile health
- Outlook:** Positioned for continued growth in imaging & clinical care through technology leadership, digital platforms & solutions, & in life sciences through expansion of bioprocess solutions & cell therapy; continued growth in emerging markets & China

- Positive:** Rail carload volumes, especially in North America, began to improve in 2017 from historic lows; mining improving globally
- Negative:** Improving demand for natural resources, though still challenging; North American market absorbing locomotive oversupply
- Outlook:** Continued improvement in mining; some firming in North American rail markets; stable international market demand

## How Our Segments Performed

### LIGHTING

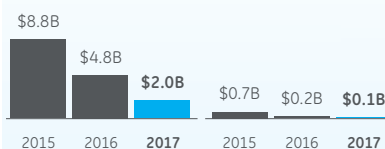


**MISSION:** Helping businesses, cities & homes become more energy efficient & productive with LED & solar technologies, networked sensors & software & connected lighting solutions<sup>1</sup>

**Major products:** consumer home lighting, commercial & industrial lighting, solar, digital energy efficiency & productivity solutions

Revenues

Profit



#### Other 2017 results

**Profit margin:** 4.7% ▼ 60bps

### CAPITAL

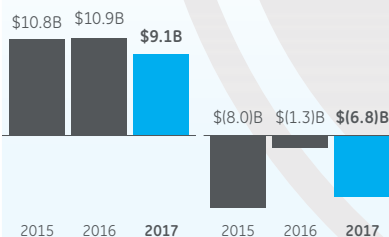


**MISSION:** Investing financial, human & intellectual capital to help our industrial businesses & their customers grow

**Major products:** Industrial-aligned financial structuring & product support in aviation (GECAS), energy (EFS) & healthcare

Revenues

Profit (loss)



#### Other 2017 results

**Verticals earnings (loss) (Non-GAAP)<sup>2</sup>:** \$(6.2)B  
**GE Capital segment assets:** \$156.7B

### 2017 Competitive Dynamics

- + Positive:** Continued LED growth driven by energy savings & better light quality; increasing interest in digital solutions where there is no established market leader
- Negative:** Wide variety of global competitors in LED lighting & long replacement cycle once installed; declining sales & margins on traditional lighting products; many point-solution digital companies expanding into energy efficiency
- 📈 Outlook:** LED conversion expected to continue in both consumer & commercial markets; significant growth potential in digital capabilities for intelligent buildings, cities & homes

- + Positive:** Strong performance from GECAS and Industrial Finance businesses; operating expenses down as GE Capital has become smaller
- Negative:** Charge of \$6.2B (after-tax) from increased reserves related to run-off insurance operations, which we estimate will require approximately \$15B of capital contributions over the next seven years; also incurred charges from strategic portfolio actions planned for EFS; pending DOJ investigation of WMC under FIRREA
- 📈 Outlook:** Taking actions to make GE Capital smaller & more focused, including substantial reduction of EFS & Industrial Finance

1. The Lighting segment includes the historical results of the Appliances business prior to its sale in June 2016.

2. See *Financial Measures That Supplement U.S. Generally Accepted Accounting Principles (Non-GAAP Financial Measures)* on page 93 of our 2017 Annual Report on Form 10-K.

## Capital Allocation

“In the last several years, we have not generated the rates of return that we expect. This is an area where GE needs to improve. We are prioritizing improved cash flow generation across all of our businesses and enhancing the discipline in how we allocate capital, with a more market-based approach and enhanced board-level oversight.”

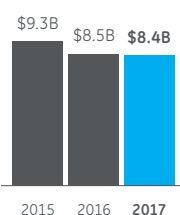
**John L. Flannery**  
Chairman of the Board and  
Chief Executive Officer

### FRAMEWORK

- **Strengthening cash position** and improving cash flow generation
- **Organic investments** that deliver strong returns
- **GE dividend** at appropriate level with a path to grow
- **Opportunistic use of buybacks** when we have excess capital and stock is undervalued
- **Disciplined approach to M&A**
- **Appropriate funding of other obligations**, including pension

### CASH RETURNED TO INVESTORS

#### Dividends



Per share dividends paid on common stock

2015 = \$0.92

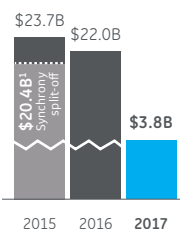
2016 = \$0.92

**2017 = \$0.96**

We reduced our dividend target for 2018 to \$0.48 per share

#### Buyback

(reported on a book basis)



Shares outstanding<sup>2</sup>

2015 = 9.4B

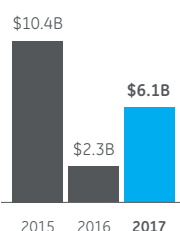
2016 = 8.7B

**2017 = 8.7B**

### OTHER GE INDUSTRIAL CAPITAL ALLOCATION HIGHLIGHTS

#### Acquisitions

(net cash payments)



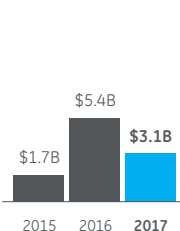
**2017**

Significant acquisitions closed



#### Dispositions

(cash proceeds)



**2017**

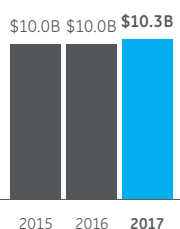
Significant dispositions closed

Water & Process Technologies



#### Organic investments

(gross capital expenditures + R&D)



GE Industrial segment organic revenue growth (Non-GAAP)<sup>3</sup>

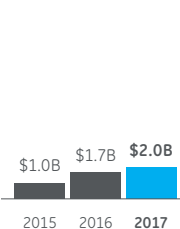
2015 = 3%

2016 = 1%

**2017 = 0%**

#### Restructuring & other charges

(cash expenditures)



Restructuring & other charges included workforce reductions, facility exit costs & integration of recent acquisitions

1. We effectuated the Synchrony Financial split-off in November 2015 through a share exchange that retired 671 million shares of GE common stock.

2. Basic (not diluted); year-end (not weighted average).

3. See Financial Measures That Supplement U.S. Generally Accepted Accounting Principles Measures (Non-GAAP Financial Measures) on page 93 of our 2017 Annual Report on Form 10-K. Adjusted to include the results of Alstom for November and December of both 2015 and 2016.

## Statement of Earnings (Loss)

For the years ended December 31 (In millions; per-share amounts in dollars)	General Electric Company and consolidated affiliates		
	2017	2016	2015
<b>Revenues and other income</b>			
Sales of goods	\$ 75,641	\$ 75,414	\$ 74,510
Sales of services	37,551	34,976	31,298
Other income (Note 17)	1,625	4,005	2,227
GE Capital earnings (loss) from continuing operations	—	—	—
GE Capital revenues from services	7,276	9,297	9,350
Total revenues and other income	122,092	123,693	117,386
<b>Costs and expenses (Note 25)</b>			
Cost of goods sold	64,328	62,440	59,905
Cost of services sold	27,606	25,043	22,788
Selling, general and administrative expenses	18,280	18,377	17,831
Interest and other financial charges	4,869	5,025	3,463
Investment contracts, insurance losses and insurance annuity benefits	12,168	2,797	2,605
Other costs and expenses	3,632	982	2,608
Total costs and expenses	130,883	114,663	109,200
<b>Earnings (loss) from continuing operations before income taxes</b>	(8,791)	9,030	8,186
Benefit (provision) for income taxes (Note 13)	3,043	464	(6,485)
<b>Earnings (loss) from continuing operations</b>	(5,748)	9,494	1,700
Earnings (loss) from discontinued operations, net of taxes (Note 2)	(309)	(954)	(7,495)
<b>Net earnings (loss)</b>	(6,056)	8,540	(5,795)
Less net earnings (loss) attributable to noncontrolling interests	(270)	(291)	332
<b>Net earnings (loss) attributable to the Company</b>	(5,786)	8,831	(6,126)
Preferred stock dividends	(436)	(656)	(18)
<b>Net earnings (loss) attributable to GE common shareowners</b>	\$ (6,222)	\$ 8,176	\$ (6,145)
<b>Amounts attributable to GE common shareowners</b>			
Earnings (loss) from continuing operations	\$ (5,748)	\$ 9,494	\$ 1,700
Less net earnings (loss) attributable to noncontrolling interests, continuing operations	(277)	(290)	19
Earnings (loss) from continuing operations attributable to the Company	(5,471)	9,784	1,681
Preferred stock dividends	(436)	(656)	(18)
Earnings (loss) from continuing operations attributable to GE common shareowners	(5,907)	9,128	1,663
Earnings (loss) from discontinued operations, net of taxes	(309)	(954)	(7,495)
Less net earnings (loss) attributable to noncontrolling interests, discontinued operations	6	(1)	312
<b>Net earnings (loss) attributable to GE common shareowners</b>	\$ (6,222)	\$ 8,176	\$ (6,145)
<b>Per-share amounts (Note 16)</b>			
Earnings (loss) from continuing operations			
Diluted earnings (loss) per share	\$ (0.68)	\$ 1.00	\$ 0.17
Basic earnings (loss) per share	\$ (0.68)	\$ 1.01	\$ 0.17
Net earnings (loss)			
Diluted earnings (loss) per share	\$ (0.72)	\$ 0.89	\$ (0.61)
Basic earnings (loss) per share	\$ (0.72)	\$ 0.90	\$ (0.62)
<b>Dividends declared per common share</b>	\$ 0.84	\$ 0.93	\$ 0.92

Amounts may not add due to rounding.

See accompanying notes.



## Statement of Earnings (Loss) (Continued)

For the years ended December 31 (In millions; per-share amounts in dollars)	GE(a)			Financial Services (GE Capital)		
	2017	2016	2015	2017	2016	2015
<b>Revenues and other income</b>						
Sales of goods	\$ 75,718	\$ 75,580	\$ 74,565	\$ 130	\$ 115	\$ 79
Sales of services	37,761	35,255	31,641	—	—	—
Other income (Note 17)	1,436	4,092	2,165	—	—	—
GE Capital earnings (loss) from continuing operations	(6,765)	(1,251)	(7,672)	—	—	—
GE Capital revenues from services	—	—	—	8,940	10,790	10,722
<b>Total revenues and other income</b>	<b>108,150</b>	<b>113,676</b>	<b>100,700</b>	<b>9,070</b>	<b>10,905</b>	<b>10,801</b>
<b>Costs and expenses (Note 25)</b>						
Cost of goods sold	64,433	62,628	59,970	102	93	69
Cost of services sold	25,619	23,084	20,858	2,196	2,238	2,273
Selling, general and administrative expenses	17,103	16,123	14,914	1,676	2,947	3,512
Interest and other financial charges	2,753	2,026	1,706	3,145	3,790	2,301
Investment contracts, insurance losses and insurance annuity benefits	—	—	—	12,213	2,861	2,737
Other costs and expenses	1,165	—	—	2,371	1,013	2,647
<b>Total costs and expenses</b>	<b>111,072</b>	<b>103,860</b>	<b>97,447</b>	<b>21,703</b>	<b>12,942</b>	<b>13,539</b>
<b>Earnings (loss) from continuing operations before income taxes</b>	<b>(2,922)</b>	<b>9,815</b>	<b>3,252</b>	<b>(12,633)</b>	<b>(2,037)</b>	<b>(2,739)</b>
Benefit (provision) for income taxes (Note 13)	(3,259)	(967)	(1,506)	6,302	1,431	(4,979)
<b>Earnings (loss) from continuing operations</b>	<b>(6,181)</b>	<b>8,849</b>	<b>1,746</b>	<b>(6,331)</b>	<b>(606)</b>	<b>(7,718)</b>
Earnings (loss) from discontinued operations, net of taxes (Note 2)	(315)	(952)	(7,807)	(312)	(954)	(7,485)
<b>Net earnings (loss)</b>	<b>(6,496)</b>	<b>7,896</b>	<b>(6,061)</b>	<b>(6,643)</b>	<b>(1,560)</b>	<b>(15,202)</b>
Less net earnings (loss) attributable to noncontrolling interests	(274)	(279)	83	4	(12)	248
<b>Net earnings (loss) attributable to the Company</b>	<b>(6,222)</b>	<b>8,176</b>	<b>(6,145)</b>	<b>(6,647)</b>	<b>(1,548)</b>	<b>(15,450)</b>
Preferred stock dividends	—	—	—	(436)	(656)	(330)
<b>Net earnings (loss) attributable to GE common shareowners</b>	<b>\$ (6,222)</b>	<b>\$ 8,176</b>	<b>\$ (6,145)</b>	<b>\$ (7,083)</b>	<b>\$ (2,204)</b>	<b>\$ (15,780)</b>
<b>Amounts attributable to GE common shareowners:</b>						
Earnings (loss) from continuing operations	\$ (6,181)	\$ 8,849	\$ 1,746	\$ (6,331)	\$ (606)	\$ (7,718)
Less net earnings (loss) attributable to noncontrolling interests, continuing operations	(274)	(279)	83	(3)	(10)	(64)
Earnings (loss) from continuing operations attributable to the Company	(5,907)	9,128	1,663	(6,328)	(595)	(7,654)
Preferred stock dividends	—	—	—	(436)	(656)	(330)
Earnings (loss) from continuing operations attributable to GE common shareowners	(5,907)	9,128	1,663	(6,765)	(1,251)	(7,983)
Earnings (loss) from discontinued operations, net of taxes	(315)	(952)	(7,807)	(312)	(954)	(7,485)
Less net earnings (loss) attributable to noncontrolling interests, discontinued operations	—	—	—	6	(1)	312
<b>Net earnings (loss) attributable to GE common shareowners</b>	<b>\$ (6,222)</b>	<b>\$ 8,176</b>	<b>\$ (6,145)</b>	<b>\$ (7,083)</b>	<b>\$ (2,204)</b>	<b>\$ (15,780)</b>

(a) Represents the adding together of all affiliated companies except GE Capital, which is presented on a one-line basis. See Note 1.

Amounts may not add due to rounding.

In the consolidating data on this page, "GE" means the basis of consolidation as described in Note 1 to the consolidated financial statements; "GE Capital" means GE Capital Global Holdings, LLC (GECGH) and its predecessor General Electric Capital Corporation (GECC) and all of their affiliates and associated companies. Separate information is shown for "GE" and "Financial Services (GE Capital)." Transactions between GE and GE Capital have been eliminated from the "General Electric Company and consolidated affiliates" columns on the prior page.

## General Electric Company and Consolidated Affiliates

### Consolidated Statement of Comprehensive Income (Loss)

<i>For the years ended December 31 (In millions)</i>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net earnings (loss)</b>	\$ (6,056)	\$ 8,540	\$ (5,795)
Less net earnings (loss) attributable to noncontrolling interests	(270)	(291)	332
<b>Net earnings (loss) attributable to the Company</b>	<b>\$ (5,786)</b>	<b>\$ 8,831</b>	<b>\$ (6,126)</b>
<b>Other comprehensive income (loss)</b>			
Investment securities	\$ (775)	\$ 203	\$ (553)
Currency translation adjustments	2,198	(1,311)	(3,137)
Cash flow hedges	51	93	99
Benefit plans	2,782	(1,068)	5,165
<b>Other comprehensive income (loss)</b>	<b>4,255</b>	<b>(2,083)</b>	<b>1,575</b>
Less other comprehensive income (loss) attributable to noncontrolling interests	53	(14)	(69)
<b>Other comprehensive income (loss) attributable to the Company</b>	<b>\$ 4,202</b>	<b>\$ (2,069)</b>	<b>\$ 1,644</b>
<b>Comprehensive income (loss)</b>	<b>\$ (1,801)</b>	<b>\$ 6,457</b>	<b>\$ (4,220)</b>
Less comprehensive income (loss) attributable to noncontrolling interests	(217)	(305)	263
<b>Comprehensive income (loss) attributable to the Company</b>	<b>\$ (1,584)</b>	<b>\$ 6,762</b>	<b>\$ (4,483)</b>

Amounts presented net of taxes.

Amounts may not add due to rounding.

See accompanying notes.

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## Statement of Financial Position

December 31 (In millions, except share amounts)	General Electric Company and consolidated affiliates	
	2017	2016
<b>Assets</b>		
Cash and equivalents	\$ 43,299	\$ 48,129
Investment securities (Note 3)	38,696	44,313
Current receivables (Note 4)	24,438	24,076
Inventories (Note 5)	21,923	22,354
Financing receivables – net (Note 6)	10,336	12,242
Other GE Capital receivables	6,301	5,944
Property, plant and equipment – net (Note 7)	53,874	50,518
Receivable from GE Capital (debt assumption)	—	—
Investment in GE Capital	—	—
Goodwill (Note 8)	83,968	70,438
Other intangible assets – net (Note 8)	20,273	16,436
Contract assets (Note 9)	28,861	25,162
All other assets	29,612	27,176
Deferred income taxes (Note 13)	6,207	1,833
Assets of businesses held for sale (Note 2)	4,243	1,745
Assets of discontinued operations (Note 2)	5,912	14,815
<b>Total assets(a)</b>	<b>\$ 377,945</b>	<b>\$ 365,183</b>
<b>Liabilities and equity</b>		
Short-term borrowings (Note 10)	\$ 24,036	\$ 30,714
Accounts payable, principally trade accounts	15,153	14,435
Progress collections and price adjustments accrued	18,462	16,760
Dividends payable	1,052	2,107
Other GE current liabilities	18,697	17,564
Non-recourse borrowings of consolidated securitization entities (Note 10)	1,980	417
Long-term borrowings (Note 10)	108,575	105,080
Investment contracts, insurance liabilities and insurance annuity benefits (Note 11)	38,136	26,086
Non-current compensation and benefits	41,630	43,780
All other liabilities	22,795	22,912
Liabilities of businesses held for sale (Note 2)	1,339	656
Liabilities of discontinued operations (Note 2)	706	4,158
<b>Total liabilities(a)</b>	<b>292,561</b>	<b>284,668</b>
Redeemable noncontrolling interests (Note 14)	3,399	3,025
Preferred stock (5,939,874 and 5,944,250 shares outstanding at December 31, 2017 and December 31, 2016, respectively)	6	6
Common stock (8,680,571,000 and 8,742,614,000 shares outstanding at December 31, 2017 and December 31, 2016, respectively)	702	702
Accumulated other comprehensive income (loss) – net attributable to GE(b)		
Investment securities	(102)	674
Currency translation adjustments	(4,653)	(6,816)
Cash flow hedges	62	12
Benefit plans	(9,702)	(12,469)
Other capital	37,171	37,224
Retained earnings	125,682	139,532
Less common stock held in treasury	(84,902)	(83,038)
Total GE shareowners' equity	64,263	75,828
Noncontrolling interests(c) (Note 14)	17,723	1,663
<b>Total equity (Note 14)</b>	<b>81,986</b>	<b>77,491</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	<b>\$ 377,945</b>	<b>\$ 365,183</b>

- (a) Our consolidated assets at December 31, 2017 included total assets of \$6,200 million of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs. These assets included current receivables and net financing receivables of \$1,720 million and investment securities of \$918 million within continuing operations and assets of discontinued operations of \$300 million. Our consolidated liabilities at December 31, 2017 included liabilities of certain VIEs for which the VIE creditors do not have recourse to GE. These liabilities included non-recourse borrowings of consolidated securitization entities (CSEs) of \$685 million within continuing operations. See Note 20.
- (b) The sum of accumulated other comprehensive income (loss) (AOCI) attributable to the Company was \$(14,396) million and \$(18,598) million at December 31, 2017 and December 31, 2016, respectively.
- (c) Included AOCI attributable to noncontrolling interests of \$(226) million and \$(278) million at December 31, 2017 and December 31, 2016, respectively.
- Amounts may not add due to rounding.

See accompanying notes.



## Statement of Financial Position (Continued)

<i>December 31 (In millions, except share amounts)</i>	GE(a)		Financial Services (GE Capital)	
	2017	2016	2017	2016
<b>Assets</b>				
Cash and equivalents	\$ 18,211	\$ 10,525	\$ 25,088	\$ 37,604
Investment securities (Note 3)	569	137	38,231	44,180
Current receivables (Note 4)	14,867	12,715	—	—
Inventories (Note 5)	21,848	22,263	75	91
Financing receivables – net (Note 6)	—	—	21,967	26,041
Other GE Capital receivables	—	—	16,945	15,576
Property, plant and equipment – net (Note 7)	23,963	19,103	30,595	32,225
Receivable from GE Capital (debt assumption)(b)	39,844	58,780	—	—
Investment in GE Capital	13,493	24,677	—	—
Goodwill (Note 8)	82,985	68,070	984	2,368
Other intangible assets – net (Note 8)	20,014	16,131	259	305
Contract assets (Note 9)	28,861	25,162	—	—
All other assets	14,035	12,007	15,662	14,608
Deferred income taxes (Note 13)	5,204	6,666	999	(4,833)
Assets of businesses held for sale (Note 2)	3,877	1,629	—	—
Assets of discontinued operations (Note 2)	—	9	5,912	14,806
<b>Total assets</b>	<b>\$ 287,770</b>	<b>\$ 277,874</b>	<b>\$ 156,716</b>	<b>\$ 182,970</b>
<b>Liabilities and equity</b>				
Short-term borrowings(b) (Note 10)	\$ 14,548	\$ 20,482	\$ 19,602	\$ 23,443
Accounts payable, principally trade accounts	21,634	20,876	1,853	1,605
Progress collections and price adjustments accrued	18,566	16,838	—	—
Dividends payable	1,052	2,107	—	—
Other GE current liabilities	18,697	17,564	—	—
Non-recourse borrowings of consolidated securitization entities (Note 10)	—	—	1,980	417
Long-term borrowings(b) (Note 10)	67,040	58,810	73,614	93,443
Investment contracts, insurance liabilities and insurance annuity benefits (Note 11)	—	—	38,587	26,546
Non-current compensation and benefits	40,820	42,770	801	1,001
All other liabilities	18,884	17,506	5,886	7,430
Liabilities of businesses held for sale (Note 2)	1,339	656	—	—
Liabilities of discontinued operations (Note 2)	23	35	683	4,123
<b>Total liabilities</b>	<b>202,602</b>	<b>197,644</b>	<b>143,007</b>	<b>158,008</b>
Redeemable noncontrolling interests (Note 14)	3,399	3,025	—	—
Preferred stock (5,939,874 and 5,944,250 shares outstanding at December 31, 2017 and December 31, 2016, respectively)	6	6	6	6
Common stock (8,680,571,000 and 8,742,614,000 shares outstanding at December 31, 2017 and December 31, 2016, respectively)	702	702	—	—
Accumulated other comprehensive income (loss) – net attributable to GE				
Investment securities	(102)	674	(99)	656
Currency translation adjustments	(4,653)	(6,816)	(225)	(740)
Cash flow hedges	62	12	54	43
Benefit plans	(9,702)	(12,469)	(524)	(622)
Other capital	37,171	37,224	12,806	12,669
Retained earnings	125,682	139,532	1,476	12,664
Less common stock held in treasury	(84,902)	(83,038)	—	—
<b>Total GE shareowners' equity</b>	<b>64,263</b>	<b>75,828</b>	<b>13,493</b>	<b>24,677</b>
<b>Noncontrolling interests (Note 14)</b>	<b>17,506</b>	<b>1,378</b>	<b>217</b>	<b>285</b>
<b>Total equity (Note 14)</b>	<b>81,769</b>	<b>77,205</b>	<b>13,709</b>	<b>24,962</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	<b>\$ 287,770</b>	<b>\$ 277,874</b>	<b>\$ 156,716</b>	<b>\$ 182,970</b>

(a) Represents the adding together of all affiliated companies except GE Capital, which is presented on a one-line basis. See Note 1.

(b) In 2015, senior unsecured notes and commercial paper were assumed by GE upon its merger with GE Capital, resulting in an intercompany receivable and payable between GE and GE Capital. See Note 10 for further information.

Amounts may not add due to rounding.

In the consolidating data on this page, "GE" means the basis of consolidation as described in Note 1 to the consolidated financial statements; "GE Capital" means GE Capital Global Holdings, LLC (GECGH) and its predecessor General Electric Capital Corporation (GECC) and all of their affiliates and associated companies. Separate information is shown for "GE" and "Financial Services (GE Capital)." Transactions between GE and GE Capital have been eliminated from the "General Electric Company and consolidated affiliates" columns on the prior page.

## Statement of Cash Flows

For the years ended December 31 (In millions)	General Electric Company and consolidated affiliates		
	2017	2016	2015
<b>Cash flows – operating activities</b>			
Net earnings (loss)	\$ (6,056)	\$ 8,540	\$ (5,795)
Less net earnings (loss) attributable to noncontrolling interests	(270)	(291)	332
Net earnings (loss) attributable to the Company	(5,786)	8,831	(6,126)
(Earnings) loss from discontinued operations	309	954	7,495
Adjustments to reconcile net earnings attributable to the Company to cash provided from operating activities:			
Depreciation and amortization of property, plant and equipment	5,139	4,997	4,847
(Earnings) loss from continuing operations retained by GE Capital	—	—	—
Deferred income taxes	(4,845)	814	383
Decrease (increase) in GE current receivables	1,551	1,514	(52)
Decrease (increase) in inventories	747	(1,389)	(314)
Increase (decrease) in accounts payable	(335)	1,198	(541)
Increase (decrease) in GE progress collections	1,322	1,836	(996)
All other operating activities	13,291	(12,655)	7,160
Cash from (used for) operating activities – continuing operations	11,394	6,099	11,856
Cash from (used for) operating activities – discontinued operations	(968)	(6,343)	8,034
<b>Cash from (used for) operating activities</b>	<b>10,426</b>	<b>(244)</b>	<b>19,891</b>
<b>Cash flows – investing activities</b>			
Additions to property, plant and equipment	(7,371)	(7,199)	(7,309)
Dispositions of property, plant and equipment	5,746	4,424	3,020
Additions to internal-use software	(549)	(749)	(778)
Net decrease (increase) in GE Capital financing receivables	805	200	1,043
Proceeds from sale of discontinued operations	1,464	59,890	79,615
Proceeds from principal business dispositions	3,228	5,357	2,283
Net cash from (payments for) principal businesses purchased	(6,087)	(2,271)	(12,027)
All other investing activities	6,704	2,960	(4,235)
Cash from (used for) investing activities – continuing operations	3,940	62,613	61,613
Cash from (used for) investing activities – discontinued operations	(1,618)	(13,412)	(2,125)
<b>Cash from (used for) investing activities</b>	<b>2,322</b>	<b>49,202</b>	<b>59,488</b>
<b>Cash flows – financing activities</b>			
Net increase (decrease) in borrowings (maturities of 90 days or less)	1,794	(1,135)	(24,459)
Newly issued debt (maturities longer than 90 days)	14,876	1,492	13,951
Repayments and other reductions (maturities longer than 90 days)	(25,622)	(58,768)	(47,038)
Net dispositions (purchases) of GE shares for treasury	(2,550)	(21,429)	(1,099)
Dividends paid to shareowners	(8,650)	(8,806)	(9,295)
All other financing activities	(903)	(1,274)	(1,605)
Cash from (used for) financing activities – continuing operations	(21,055)	(89,920)	(69,547)
Cash from (used for) financing activities – discontinued operations	1,909	789	(6,507)
<b>Cash from (used for) financing activities</b>	<b>(19,146)</b>	<b>(89,131)</b>	<b>(76,054)</b>
Effect of currency exchange rate changes on cash and equivalents	891	(1,146)	(3,464)
<b>Increase (decrease) in cash and equivalents</b>	<b>(5,507)</b>	<b>(41,319)</b>	<b>(138)</b>
Cash and equivalents at beginning of year	49,558	90,879	91,017
Cash and equivalents at end of year	44,051	49,558	90,879
Less cash and equivalents of discontinued operations at end of year	752	1,429	20,395
Cash and equivalents of continuing operations at end of year	\$ 43,299	\$ 48,129	\$ 70,483
<b>Supplemental disclosure of cash flows information</b>			
Cash paid during the year for interest	\$ (5,049)	\$ (5,779)	\$ (8,764)
Cash recovered (paid) during the year for income taxes	(2,436)	(7,469)	(2,486)

Amounts may not add due to rounding.

See accompanying notes.

## Statement of Cash Flows (Continued)

For the years ended December 31 (In millions)	GE(a)			Financial Services (GE Capital)		
	2017	2016	2015	2017	2016	2015
<b>Cash flows – operating activities</b>						
Net earnings (loss)	\$ (6,496)	\$ 7,896	\$ (6,061)	\$ (6,643)	\$ (1,560)	\$ (15,202)
Less net earnings (loss) attributable to noncontrolling interests	(274)	(279)	83	4	(12)	248
Net earnings (loss) attributable to the Company	(6,222)	8,176	(6,145)	(6,647)	(1,548)	(15,450)
(Earnings) loss from discontinued operations	315	952	7,807	312	954	7,485
Adjustments to reconcile net earnings attributable to the Company to cash provided from operating activities:						
Depreciation and amortization of property, plant and equipment	2,857	2,597	2,473	2,277	2,384	2,436
(Earnings) loss from continuing operations retained by GE Capital(b)	10,781	21,345	12,284	—	—	—
Deferred income taxes	449	1,107	(1,800)	(5,294)	(293)	2,183
Decrease (increase) in GE current receivables	297	929	666	—	—	—
Decrease (increase) in inventories	764	(1,337)	(282)	(2)	(10)	(14)
Increase (decrease) in accounts payable	(370)	1,716	276	(75)	17	(189)
Increase (decrease) in GE progress collections	1,349	1,913	(1,010)	—	—	—
All other operating activities	822	(7,438)	2,083	11,802	(3,054)	5,087
Cash from (used for) operating activities – continuing operations	11,040	29,960	16,354	2,374	(1,552)	1,537
Cash from (used for) operating activities – discontinued operations	(1)	(90)	(12)	(968)	(6,253)	8,046
<b>Cash from (used for) operating activities</b>	<b>11,039</b>	<b>29,870</b>	<b>16,342</b>	<b>1,407</b>	<b>(7,805)</b>	<b>9,583</b>
<b>Cash flows – investing activities</b>						
Additions to property, plant and equipment	(4,132)	(3,758)	(3,785)	(3,680)	(3,769)	(4,237)
Dispositions of property, plant and equipment	1,401	1,080	939	4,579	3,637	2,526
Additions to internal-use software	(518)	(740)	(755)	(31)	(8)	(23)
Net decrease (increase) in GE Capital financing receivables	—	—	—	2,897	(1,279)	226
Proceeds from sale of discontinued operations	—	—	—	1,464	59,890	79,615
Proceeds from principal business dispositions	3,106	5,357	1,725	—	—	532
Net cash from (payments for) principal businesses purchased	(6,087)	(2,271)	(10,350)	—	—	(1,677)
All other investing activities	(2,097)	(1,652)	(553)	3,052	1,647	(4,667)
Cash from (used for) investing activities – continuing operations	(8,328)	(1,984)	(12,779)	8,282	60,118	72,295
Cash from (used for) investing activities – discontinued operations	1	90	12	(1,618)	(13,501)	(2,137)
<b>Cash from (used for) investing activities</b>	<b>(8,327)</b>	<b>(1,894)</b>	<b>(12,767)</b>	<b>6,664</b>	<b>46,617</b>	<b>70,158</b>
<b>Cash flows – financing activities</b>						
Net increase (decrease) in borrowings (maturities of 90 days or less)	1,680	1,595	603	69	(1,655)	(24,834)
Newly issued debt (maturities longer than 90 days)	20,264	5,307	3,560	1,909	1,174	10,391
Repayments and other reductions (maturities longer than 90 days)	(5,981)	(4,156)	(2,190)	(21,007)	(58,285)	(44,848)
Net dispositions (purchases) of GE shares for treasury	(2,550)	(21,429)	(1,099)	—	—	—
Dividends paid to shareowners	(8,355)	(8,474)	(9,289)	(4,311)	(20,427)	(4,620)
All other financing activities	(528)	(273)	203	(280)	(1,127)	(1,362)
Cash from (used for) financing activities – continuing operations	4,530	(27,430)	(8,211)	(23,619)	(80,320)	(65,273)
Cash from (used for) financing activities – discontinued operations	—	—	—	1,909	789	(6,507)
<b>Cash from (used for) financing activities</b>	<b>4,530</b>	<b>(27,430)</b>	<b>(8,211)</b>	<b>(21,710)</b>	<b>(79,531)</b>	<b>(71,780)</b>
Effect of currency exchange rate changes on cash and equivalents	444	(392)	(908)	447	(754)	(2,556)
<b>Increase (decrease) in cash and equivalents</b>	<b>7,686</b>	<b>153</b>	<b>(5,544)</b>	<b>(13,193)</b>	<b>(41,473)</b>	<b>5,406</b>
Cash and equivalents at beginning of year	10,525	10,372	15,916	39,033	80,506	75,100
Cash and equivalents at end of year	18,211	10,525	10,372	25,840	39,033	80,506
Less cash and equivalents of discontinued operations at end of year	—	—	—	752	1,429	20,395
Cash and equivalents of continuing operations at end of year	\$ 18,211	\$ 10,525	\$ 10,372	\$ 25,088	\$ 37,604	\$ 60,111
<b>Supplemental disclosure of cash flows information</b>						
Cash paid during the year for interest	\$ (2,256)	\$ (1,753)	\$ (1,327)	\$ (2,793)	\$ (4,982)	\$ (8,047)
Cash recovered (paid) during the year for income taxes	(2,700)	(2,612)	(1,636)	264	(4,857)	(850)

(a) Represents the adding together of all affiliated companies except GE Capital, which is presented on a one-line basis.

(b) Represents GE Capital earnings/loss from continuing operations attributable to the Company, net of GE Capital dividends paid to GE.

Amounts may not add due to rounding.

In the consolidating data on this page, “GE” means the basis of consolidation as described in Note 1 to the consolidated financial statements; “GE Capital” means GE Capital Global Holdings, LLC (GECGH) and its predecessor General Electric Capital Corporation (GECC) and all of their affiliates and associated companies. Separate information is shown for “GE” and “Financial Services (GE Capital).” Transactions between GE and GE Capital have been eliminated from the “Consolidated” columns and are discussed in Note 23.

## What You Can Find in the Notes to Our Financial Statements

### 1. Basis of Presentation and Summary of Significant Accounting Policies

Description of how our financial statements are presented, key accounting policies and new accounting standards

### 2. Businesses Held for Sale and Discontinued Operations

Summary financial data and other information about businesses we are selling or have sold

### 3. Investment Securities

Details of our investment portfolio, including realized and unrealized gains/losses

### 4. Current Receivables

Current receivables by operating segment

### 5. Inventories

Inventory details (raw materials and work in process, finished goods and unbilled shipments)

### 6. GE Capital Financing Receivables and Allowance for Losses on Financing Receivables

Details of financing receivables, associated allowance for losses, financing leases and contractual maturities

### 7. Property, Plant and Equipment

Property, plant and equipment details (land, buildings, equipment leased to others, etc.), associated depreciation and noncancelable future rentals

### 8. Acquisitions, Goodwill and Other Intangible Assets

Information about acquisitions, goodwill, impairment testing, intangibles and associated amortization

### 9. Contract Assets

Details about long-term service and equipment contracts and other contract assets by operating segment

### 10. Borrowings

Details of short-term and long-term borrowings and liquidity

### 11. Investment Contracts, Insurance Liabilities and Insurance Annuity Benefits

Obligations to annuitants and policyholders of our run-off insurance operations

### 12. Postretirement Benefit Plans

Details of pension and other postretirement benefits, including costs, composition of plan assets, funding status and key assumptions

### 13. Income Taxes

Current and deferred income taxes, tax-related assets and liabilities and income tax rate reconciliation

### 14. Shareowners' Equity

Composition of equity accounts, share repurchase program and redeemable noncontrolling interests

### 15. Other Stock-related Information

Information about share-based compensation programs, including stock option and restricted stock grants

### 16. Earnings Per Share Information

Information about basic and diluted earnings per share calculations

### 17. Other Income

Composition of GE other income

### 18. Fair Value Measurements

Recurring and non-recurring fair value measurements, including fair value levels, activity and unobservable measurement inputs

### 19. Financial Instruments

Details of financial instruments, derivatives and hedging activities

### 20. Variable Interest Entities

Financial data related to consolidated and unconsolidated variable interest entities

### 21. Commitments, Guarantees, Product Warranties and Other Loss Contingencies

Information about commitments, guarantees (credit support, indemnification agreements, etc.), product warranties and legal and environmental loss contingencies

### 22. Cash Flows Information

Supplemental cash flow information

### 23. Intercompany Transactions

Details of intercompany activities, including effects on our Statement of Cash Flows

### 24. Operating Segments

Additional information and disclosures about our operating segments

### 25. Cost Information

Information about collaborative arrangements and rental expense

### 26. Guarantor Financial Information

Financial data related to the issuer and the guarantors of registered securities of a GE subsidiary

### 27. Quarterly Information (unaudited)

Selected quarterly data related to our consolidated Statement of Earnings



You can find the financial statement notes in our 10-K at:

**[www.ge.com/annualreport](http://www.ge.com/annualreport)**

(click on the downloads)

## Risk Factors

Our businesses routinely encounter and address risks, some of which will cause our future results to be different — sometimes materially different — than we presently anticipate. The summary below provides an overview of important types of strategic, operational, financial and legal and compliance risks that we face, but you should also refer to the full descriptions in *Risk Factors* beginning on page 106 of our Form 10-K.

### Strategic Risks

#### Global macro environment

Our growth is subject to global economic and political risks.

#### Business portfolio

The success of our business depends on achieving our strategic objectives, including through dispositions, acquisitions and business integrations and joint ventures.

#### Restructuring

We may not realize expected benefits from our cost reduction and restructuring efforts, and these efforts may have adverse effects on our operations, employee retention and results.

#### Competitive environment

We are dependent on the maintenance of existing product lines and service relationships, market acceptance of new product and service introductions and innovations for revenue and earnings growth.

#### Intellectual property (IP)

Our IP portfolio may not prevent competitors from independently developing products and services similar to or duplicative to ours, and the value of our IP may be negatively impacted by external dependencies.

### Operational Risks

#### Operational execution

We may face operational challenges that could have a material adverse effect on our business, reputation, financial position and results of operations.

#### Product safety

Our products and services are highly sophisticated and specialized, and a major product failure or similar event could adversely affect our business, reputation, financial position and results of operations.

#### Cybersecurity

Increased cybersecurity requirements, vulnerabilities, threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, solutions, services and data.

#### Supply chain

Significant raw material shortages, supplier capacity constraints, supplier production disruptions, supplier quality and sourcing issues or price increases could increase our operating costs and adversely impact the competitive positions of our products.

### Financial Risks

#### Funding & liquidity

Failure to maintain our credit ratings, or conditions in the financial and credit markets, could adversely affect our access to capital markets, funding costs and related margins, liquidity, capital allocation plans and competitive position.

#### Economy/counterparties

A deterioration in conditions in the global economy, the major industries we serve or the financial markets, or in the soundness of financial institutions, governments or customers we deal with, may adversely affect our business and results of operations.

#### GE Capital

A smaller GE Capital continues to have exposure to credit and other risks and, in the event of future adverse developments, may not be able to meet its business and financial objectives without taking further actions at GE Capital or capital contributions by GE.

#### Social costs

Sustained increases in pension and healthcare benefits costs may reduce our profitability.

### Legal & Compliance Risks

#### Regulatory

We are subject to a wide variety of laws, regulations and government policies that may change in significant ways.

#### Legal proceedings

We are subject to legal proceedings, investigations and legal compliance risks, including trailing liabilities from businesses that we dispose of or that are inactive.

## Governance

**This overview highlights information contained in our proxy statement and does not contain all of the information that you should consider before voting in connection with our annual meeting. You should read the entire proxy statement carefully before voting.**

Dear Shareowners,

The last year has been a difficult one for GE's shareowners, and no one is more disappointed in our results than your Board of Directors. We take our role as stewards of your investment very seriously, and we have taken a critical look at our operations and processes to assess how we can more effectively protect and increase the value of your investment. As we approach the annual meeting, I want you to understand how the Board has been working on your behalf.

### CEO SUCCESSION

The Board's most important duty is to choose the right leadership for the company. Last June, we announced that John Flannery would take over as Chairman and CEO. John is a proven leader with financial acumen, operational expertise and a global outlook. He spent much of his career at GE Capital before leading and reshaping GE Healthcare. He's led GE businesses in Argentina, Japan, India and the United Kingdom. John knows the company incredibly well, but he is also capable of looking at GE with fresh eyes and making difficult decisions that break with the company's traditions. We believe the last six months have already demonstrated that John is the right person to lead GE.

Prior to John's appointment, the Board conducted a deep dive to evaluate whether to continue to combine the Chairman and CEO roles. We did not begin the process with a pre-determined view, and, after a robust debate, ultimately concluded that continuing to have the CEO speak for and lead the company and the Board was the best approach in view of the size and complexity of GE.

### FURTHER ALIGNING OUR EXECUTIVES WITH SHAREOWNERS

The Board has also been actively reviewing our executive compensation programs. A few years ago, we changed the annual cash bonus program to make it more formulaic and tied to our investor framework. But it is clear to us that more change is needed. To address this, we have revisited each of our executive compensation programs, with a few key, common elements as building blocks. First, to promote greater alignment with our shareowners, we are moving compensation for our senior executives away from cash and toward equity. We are doing away with our long-term performance awards, which pay out in cash, and focusing all long-term rewards on equity. Second, we have also been asking our executives to track and measure too many different metrics and targets, so we will refocus our evaluation criteria on fewer, higher impact metrics. We are also tying bonuses at the individual businesses to their performance, rather than overall company results, which we believe will produce a closer connection between pay and performance and accountability.

While our compensation programs did not drive company performance in the way we had hoped, they did hold the senior leadership team accountable. For 2017, the Compensation Committee determined that, for the first time in GE's history, the senior leaders at GE's headquarters – our past and present CEOs, CFOs, Vice Chairs, General Counsel and HR directors – would not receive bonuses. We also zeroed out the performance share units awarded to senior leaders in 2015 even though the recipients were technically eligible for a partial payout.

### PROTECTING AND GROWING YOUR INVESTMENT

We realize that the company's track record on M&A and other capital allocation decisions has been disappointing. To increase our oversight of major investment decisions, we have created a new Finance and Capital Allocation Committee of the Board, an important step that mirrors additional management efforts to take a more disciplined approach to capital allocation, including buybacks, dividends and other significant investment decisions as well as M&A. The Board has been deeply engaged in the ongoing portfolio review that is taking a closer look at GE's businesses and how to maximize their value for the long-term benefit of our shareowners. We are also revisiting the Board's processes to ensure that we are focused on the topics that are most salient for the company, with a greater emphasis on promoting constructive debate and challenge between our leadership team and the Board. We have also increased our outreach and discussions with major shareowners to better understand investor perspectives and priorities.

### HOW WE ARE CHANGING THE BOARD

As part of the Board's 2017 self-evaluation, we concluded that the Board did not need to be as large as it has been historically, and that reducing the Board to 12 directors would strike the right balance between ensuring sufficiently broad perspectives and expertise and promoting greater dialogue and the heightened sense of accountability that we are trying to drive at all levels of the company. In February, we announced the 2018 slate, which includes Larry Culp, Tom Horton and Leslie Seidman, who will bring additional insight into capital allocation, industrial manufacturing, the aviation industry, accounting and financial reporting.

Our departing directors have all been dedicated and made valuable contributions to GE. In thinking about the Board going forward, we decided to focus on skill sets that were closely aligned to GE's future portfolio, while also looking at director tenure and each director's ability to dedicate substantial time to the Board at this critical period. We realize that we need to maintain our Board's historical focus on cognitive diversity, including attracting directors with different backgrounds, and we will use future refreshment opportunities to continue to advance this important goal. This process will begin with me - I have decided to serve one more term to help facilitate a transition to the next Lead Director and will not stand for reelection in 2019.

The Board is aware of the significant challenges in front of us and we are prepared to meet them. We will continue to work to earn your support, and we are confident and resolute that better days lie ahead for GE and all its stakeholders.



**John J. Brennan, Lead Director**



# Board Composition & Refreshment

## YOUR VOTE IS NEEDED ON DIRECTOR ELECTIONS:

Election of the 12 nominees named in the proxy for the coming year

**YOUR BOARD RECOMMENDS A VOTE FOR EACH NOMINEE**

## HOW WE ARE CHANGING THE BOARD

- Significant refreshment, with increased focus on relevant industry and operational expertise
- Reduced board size
- New committee focused on GE portfolio and capital allocation decisions

## DIVERSITY OF EXPERIENCE

### GE POLICY:

create an experienced board with expertise in areas relevant to GE

**75%**

**INDUSTRY & OPERATIONS**



**67%**

**INVESTOR**



**17%**

**TECHNOLOGY**



**75%**

**RISK MANAGEMENT**



**92%**

**FINANCE & ACCOUNTING**



**25%**

**GOVERNMENT & REGULATORY**



## SIGNIFICANT BOARD REFRESHMENT SINCE 2016 ANNUAL MEETING

Term Limits  
+ Retirement Age  
+ Annual Board evaluation

**7**

**new directors**

**11**

**retired directors**

over last 2 years

## JOINING THE BOARD SINCE THE 2017 ANNUAL MEETING

- 2017:** Flannery, Garden
- 2018:** Culp, Horton, Seidman



## RETIRING FROM BOARD

- 2017:** Immelt, Lane, McAdam
- 2018:** Dekkers, Henry, Hockfield, Jung, Lazarus, Mollenkopf, Rohr, Schapiro

## DIVERSITY OF AGE

### GE POLICY:

retirement age 75



## DIVERSITY OF TENURE

### GE POLICY:

balanced mix of both deep GE knowledge & new perspectives

**7 directors**

0-2 years

**2 directors**

3-6 years

### TERM LIMIT POLICY:

15 years

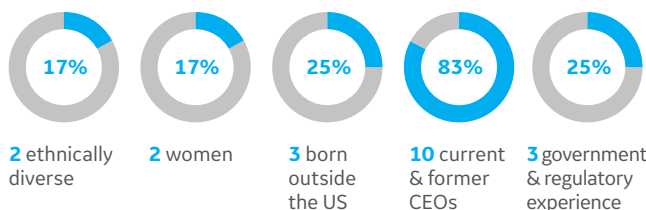
**3 directors**

7-10 years

## DIVERSITY OF BACKGROUND

### GE POLICY:

build a cognitively diverse board representing a range of backgrounds



The Board is committed to building upon its diversity with future refreshment and to interviewing female and ethnically diverse candidates for all vacancies

## INDEPENDENCE

### GE POLICY:

all non-management directors must be independent

**11/12**

**director nominees are independent**

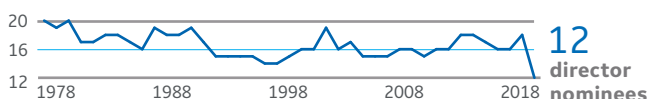


**92%** independent (all director nominees except CEO)

**92%** meet heightened committee independence standards

## BOARD SIZE

Significantly reducing size in 2018 to enhance dialogue and promote accountability





















































## BOARD ACCOUNTABILITY

- Annual director elections with majority voting standard
- Proxy access at 3%, 3 years, 20% of Board, up to 20 shareowners can aggregate

# Board Nominees

The Board recommends a vote for the 12 director nominees set forth below. The committee memberships indicate the anticipated composition of the committees of the Board following the annual meeting. For information on committee composition as of the date of our proxy, see “Board Operations” on page 17 of our 2018 Proxy Statement.

The Board is nominating three new directors on the 2018 slate: Larry Culp, Tom Horton and Leslie Seidman.

Name	Age	Director since	Primary Occupation & Other Public Company Boards	A	C	F	G
 <b>Bazin</b>    	56	2016	Chair & CEO, AccorHotels Boards: AccorHotels, China Lodging Group			●	●
 <b>Beattie</b>    	57	2009	CEO, Generation Capital & Former CEO, The Woodbridge Company Boards: Baker Hughes, a GE company, Maple Leaf Foods, Acasta Enterprises	◉ ■	●		
 <b>Brennan</b>    	63	2012	Chair Emeritus & Senior Advisor, The Vanguard Group Boards: American Express	■	◉		
 <b>Culp</b>  	54	Nominee <b>NEW</b>	Senior Lecturer, Harvard Business School & Former President & CEO, Danaher Corporation Boards: T. Rowe Price		●	●	
 <b>D'Souza</b>   	49	2013	CEO, Cognizant Technology Solutions Boards: Cognizant		●		●
 <b>Flannery</b>    	56	2017 <b>NEW</b>	Chair & CEO, General Electric				
 <b>Garden</b>    	56	2017 <b>NEW</b>	Chief Investment Officer & Co-Founder, Trian Fund Management Boards: Bank of New York Mellon, Pentair		●	●	
 <b>Horton</b>  	56	Nominee <b>NEW</b>	Senior Advisor, Warburg Pincus & Former Chairman & CEO, American Airlines Boards: Qualcomm, Walmart	■			●
 <b>Lavizzo-Mourey</b>   	63	2017	Professor, University of Pennsylvania & Former President & CEO, Robert Wood Johnson Foundation Boards: Hess		●		◉
 <b>Mulva</b>   	71	2008	Former Chair & CEO, ConocoPhillips Boards: Baker Hughes, a GE company, General Motors	■		◉	
 <b>Seidman</b>   	55	Nominee <b>NEW</b>	Former Chair, Financial Accounting Standards Board Boards: Moody's	■		●	
 <b>Tisch</b>    	65	2010	President & CEO, Loews Boards: Loews and its consolidated subsidiaries			●	●

## INDEPENDENCE

All director nominees other than the CEO are independent

## ATTENDANCE

All director nominees attended at least 75% of the meetings of the Board and committees on which they served in 2017

## QUALIFICATIONS

 Industry & Operations

 Finance & Accounting

 Investor

 Technology

 Risk Management

 Government & Regulatory

**A** Audit Committee  
**C** Compensation Committee  
**F** Finance Committee  
**G** Governance Committee  
 ● Member  
 ◉ Chair  
 ■ Financial Expert & Member

# Board & Committees

## FULL BOARD



**CHAIR**  
John Flannery



**LEAD DIRECTOR**  
Jack Brennan

### 2017 MEETINGS

15, including 4 formal meetings of the independent directors

## BOARD RHYTHM

**8/year**

Regular meetings

**1/year**

Strategy session

**2+/year**

Business visits for each director

**1/year**

Governance & investor feedback review

**Calls**

Between meetings as needed

**1/year**

Board self-evaluation

## A TYPICAL GE BOARD MEETING ... 2 DAYS, 8X/YEAR

### BEFORE THE MEETING

**Board committee chairs:** prep meetings with management & outside advisors (e.g., KPMG)

**Management:** internal prep meetings



### THURSDAY (DAY 1)

**Daytime:** Board committee meetings

**Evening:** Business presentations & dinner (Board interacts directly with senior business managers)



### FRIDAY (DAY 2)

**Early morning:** independent directors' breakfast session

**Late morning:** full Board meeting (including reports from each committee chair) followed by executive session with CEO



### AFTER THE MEETING

**Management:** follow-up sessions to discuss & respond to Board requests

## RECENT FOCUS AREAS

- Leadership transitions, particularly for the CEO
- Review of GE's portfolio
- Creation of Baker Hughes, a GE company
- Capital allocation, including dividend policy and pension funding
- Business performance reviews, particularly in Power
- GE Capital and Insurance
- New product launches (e.g., LEAP engine)

## COMMITTEES FOLLOWING THE ANNUAL MEETING

For a description of committees as of the date of our proxy and committee activities during 2017, see "Board Operations" on page 17 of our 2018 Proxy Statement.

## AUDIT



**CHAIR:** Geoff Beattie

**MEMBERS:** Jack Brennan, Tom Horton, Jim Mulva & Leslie Seidman

### OVERSIGHT AND FOCUS AREAS

- Financial reporting
- KPMG
- Internal audit
- Accounting policies (e.g., revenue recognition, long-term service agreements)
- Compliance
- Significant litigation and investigations

## FINANCE & CAPITAL ALLOCATION



**CHAIR:** Jim Mulva

**MEMBERS:** Sébastien Bazin, Larry Culp, Ed Garden, Leslie Seidman & Jim Tisch

### OVERSIGHT AND FOCUS AREAS

- Capital allocation framework
- Financial risk
- Investments and uses of cash (e.g., dividends, buybacks, R&D)
- Ongoing GE portfolio review
- M&A activity
- GE Capital structure

## GOVERNANCE & PUBLIC AFFAIRS



**CHAIR:** Risa Lavizzo-Mourey

**MEMBERS:** Sébastien Bazin, Frank D'Souza, Tom Horton & Jim Tisch

### OVERSIGHT AND FOCUS AREAS

- Director recruitment and board composition
- GE leadership structure
- Board governance processes
- Climate change-related risk
- Political & lobbying strategy and spending
- Sustainability, environmental, human rights & supply chain practices

## MANAGEMENT DEVELOPMENT & COMPENSATION



**CHAIR:** Jack Brennan

**MEMBERS:** Geoff Beattie, Larry Culp, Frank D'Souza, Ed Garden & Risa Lavizzo-Mourey

### OVERSIGHT AND FOCUS AREAS

- CEO and management succession
- CEO and senior executive performance evaluations & compensation plans
- Equity planning
- Retention of critical talent
- Employee benefit plans

## Compensation

**YOUR VOTE IS NEEDED ON  
MANAGEMENT PROPOSAL #1**

Advisory approval of our named executives' compensation for 2017

**✓ YOUR BOARD RECOMMENDS A VOTE  
FOR THIS PROPOSAL**

## Compensation Profile

### PRIMARY COMPENSATION ELEMENTS FOR 2017

	Salary	Bonus	LTPAs	PSUs	Options	RSUs
Who receives	All named executives					All named executives except CEO
When granted	Reviewed every 18 months	Annually in February or March for prior year	Every 3 years – final cycle 2016-2018	Generally annually		
Form of delivery	Cash		Generally cash	Equity		
Type of performance	Short-term emphasis		Long-term emphasis			
Performance period	Ongoing	1 year	3 years		Generally 5-year vesting period	
How payout is determined	Committee judgment	Formulaic & committee judgment	Formulaic; committee verifies performance before payout		Formulaic; depends on stock price on exercise/ vest date	
Most recent performance measures	N/A	7 financial metrics + strategic goals	5 financial metrics	2 financial metrics + relative TSR modifier	Stock price appreciation	
What is incentivized	Balance against excessive risk taking	Deliver on annual investor framework	Deliver on long-term investor framework	Outperform peers	Increase stock price	Balance against excessive risk taking

## Promoting Accountability Through Pay

### 2017 ANNUAL BONUSES (CASH)

Threshold	Target	Max	Weight	Performance Metrics Align with 2017 Investor Framework	Result
(\$0.45) \$1.60	\$1.65	\$1.70	15%	2017 Industrial Operating + Verticals EPS*	Missed
0% 3%	4%	5%	15%	2017 Organic Revenue Growth*	Missed
(190bps) 75bps	100bps	120 bps	15%	2017 Industrial Operating Margin Expansion*	Missed
\$11B \$16B	\$18B	\$20B	15%	2017 Operating Cash Flow *	Missed
\$4.8B	\$5.2B	\$5.9B	15%	2017 Digital Orders	Target
35% 100%			25%	<b>Strategic Metrics</b> Goals: drive execution, simplify the company, create a more valuable portfolio, make big bets on the future of industrial productivity	Partially met (35%)

2017 performance fell significantly short of our goals. The Compensation Committee took the following pay actions:

- ✓ No bonuses for current or former CEO, CFO or Vice Chairs, other than CEO, Aviation
- ✓ Bonus pool funded at 24% (compared to 80% for 2016)
- ✓ Individual business bonus pools range from 0-43%

**Result:** Overall bonus pool funded at 24% of target, but no bonuses for named executives other than CEO of Aviation

### 2015-2017 PERFORMANCE SHARE UNITS (EQUITY)

Threshold	Target	Max	Weight	Performance Metrics Align with Long-Term Investor Framework	Result
\$88.7B \$87B	\$92B		50%	2015-2017 Total Cash*	Above threshold
12.1% 16.5%	16.75%		50%	Industrial Segment Operating Margin (ex. adjusted corporate operating costs)*	Missed
<40th 40th percentile	50th percentile	75th percentile	+/-25% adjustment	2015-2017 Relative TSR v. S&P 500	-25% adjustment

- ✓ The Compensation Committee cancelled the 2015 PSUs, despite meeting one goal

**Result:** Executives received none of the PSUs based on determination by the Compensation Committee

See "How Our Incentive Compensation Plans Paid Out for 2017" on page 30 of our 2018 Proxy Statement for more information on how these plans work. Metrics denoted with a \* are non-GAAP financial measures. For information on how we calculate the performance metrics, see "Explanation of Non-GAAP Financial Measures and Performance Metrics" on page 52 of our 2018 Proxy Statement.

# 2017 Compensation Decisions

## CEO TRANSITION AND KEY CHANGES

	NEW CEO (Flannery)	FORMER CEO (Immelt)	
<b>Salary</b>	\$2M	\$3.8M	↓ 47%
<b>Target Bonus</b>	\$3M	\$5.4M	↓ 44%
<b>2017 Bonus</b>	\$0	\$0	Accountable for performance
<b>LTPA</b>	Pays in stock	Pays in cash	
<b>Equity</b>	Greater % of pay	Lower % of pay	Promotes alignment with investors
<b>Stock Ownership Requirement</b>	10x salary	10x salary	

### OTHER NAMED EXECUTIVES

- ✓ No bonuses for named executives, other than CEO of Aviation
- ✓ 2015 PSU grants cancelled
- ✓ Salary increases for Flannery and Miller upon assuming CEO and CFO roles
- ✓ Other salary increases limited to historical 18-month cyclical increases
- ✓ No 2017 PSU grants

## 2017 Summary Compensation

(in thousands)

Name & Principal Position	Year	Salary	Bonus	PSUs & RSUs	Stock Options	LTPAs	Pension & Deferred Comp.	All Other Comp.	SEC Total	Adjusted SEC Total**
<b>John Flannery*</b> Chairman & CEO	2017	\$1,738	\$0	N/A	\$2,076	\$0	\$3,255	\$1,932	\$9,001	\$5,801
<b>Jamie Miller*</b> SVP & CFO	2017	\$1,335	\$0	\$1,811	\$519	\$0	\$1,155	\$238	\$5,058	\$3,903
<b>David Joyce</b> Vice Chair & CEO, Aviation	2017	\$1,450	\$1,385	\$695	\$692	\$0	\$674	\$265	\$5,161	\$4,487
	2016	\$1,333	\$1,524	\$6,212	\$750	\$0	\$2,524	\$239	\$12,583	\$10,059
<b>Jeff Immelt</b> Former Chairman & CEO	2017	\$2,864	\$0	N/A	N/A	\$0	\$3,373	\$1,873	\$8,111	\$4,982
	2016	\$3,800	\$4,320	\$4,673	\$2,142	\$1,624	\$3,580	\$1,185	\$21,325	\$17,962
<b>Jeff Bornstein</b> Former Vice Chair & CFO	2017	\$1,775	\$0	\$8,141***	\$692	\$0	\$3,796	\$163	\$14,568***	\$10,836***
	2016	\$1,688	\$1,920	\$1,532	\$750	\$739	\$2,882	\$395	\$9,906	\$7,082
<b>Beth Comstock</b> Former Vice Chair, Business Innovations	2017	\$1,604	\$0	\$695	\$692	\$0	\$5,850	\$186	\$9,028	\$3,207
	2016	\$1,500	\$1,248	\$6,211	\$750	\$550	\$2,046	\$175	\$12,479	\$10,460
<b>John Rice</b> Vice Chair, Former CEO, Global Growth Organization	2017	\$2,800	\$0	\$695	\$692	\$0	\$2,552	\$1,138	\$7,877	\$5,586
	2016	\$2,625	\$3,278	\$1,532	\$750	\$1,181	\$4,184	\$1,612	\$15,162	\$11,213

\*Under applicable SEC rules, we have excluded Mr. Flannery's and Ms. Miller's compensation for 2016 as they were not named executives during that year.

\*\*For a description of the amounts reported in the Adjusted SEC Total column, see "Adjusted SEC Total" on page 39 of our 2018 Proxy Statement.

\*\*\*Includes RSU awards with a grant date fair value of \$7.7 million that were subsequently cancelled. Excluding these cancelled RSU awards, Mr. Bornstein's SEC Total was \$6.9 million, and his Adjusted SEC Total was \$3.2 million.

## Compensation Changes for 2018

### SALARY REVIEW CYCLE

- ✓ Increased for officers from 18 to 24-month intervals

### SIMPLER ANNUAL BONUS PLAN

- ✓ Metrics focus on: earnings and cash generation
- ✓ Bonus pool funding for businesses determined by business results ... promoting accountability, rewarding performance

### EQUITY AWARDS

- ✓ Greater percentage of overall executive pay
- ✓ Generally shifting toward RSUs (away from options) for broader executive population, with 3-year vesting period

### LONG-TERM PERFORMANCE AWARDS

- ✓ Terminating cash LTPA program after conclusion of current performance cycle

### 2018 PERFORMANCE SHARE UNITS

- ✓ One metric: GE TSR v. S&P 500

Threshold	Target	Maximum
35th percentile	55th percentile	80th percentile
Earn 25%	Earn 100%	Earn 175%

- ✓ 3-year performance period
- ✓ Use of relative metric promotes flexibility in ongoing portfolio review
- ✓ One-year mandatory hold post-vesting

# Other Compensation Proposal

## YOUR VOTE IS NEEDED ON MANAGEMENT PROPOSAL #2:

Approve the renewal of the GE International Employee Stock Purchase Plan

 **YOUR BOARD RECOMMENDS A VOTE FOR THIS PROPOSAL**

## RENEWING THE GE INTERNATIONAL EMPLOYEE STOCK PURCHASE PLAN

- Approve an additional 50 million shares that can be issued pursuant to the **GE International Employee Stock Purchase Plan**, which allows eligible employees located outside the U.S. to dedicate up to 10% of their paychecks to the purchase of GE shares, with a 15% match by GE
- Approval expected to provide sufficient shares to last for ten years
- Encourages eligible employees to acquire an ownership interest in GE, further aligning them with investors
- Approximately 21,400 employees participated in the plan in 2017, purchasing 2.9 million shares
- Total dilution over the life of the plan expected to be approximately 0.61% based on current shares outstanding

# Audit

## YOUR VOTE IS NEEDED ON MANAGEMENT PROPOSAL #3:

Ratification of our selection of KPMG as independent auditor

 **YOUR BOARD RECOMMENDS A VOTE FOR THIS PROPOSAL**

## In engaging KPMG for 2018, we reviewed:

- KPMG's performance on GE audit includes results of internal, worldwide survey
- KPMG's capability & expertise in handling breadth & complexity of our worldwide operations
- KPMG's known legal & regulatory risks includes interview with KPMG's chairman & review of the number of audit clients with restatements as compared to other Big 4 firms
- External data on audit quality & performance includes recent PCAOB reports on KPMG & peer firms
- Appropriateness of KPMG's fees on both an absolute basis & relative to peer firms
- KPMG's tenure & independence including benefits & independence risks of long-tenured auditor & controls/processes that help ensure KPMG's independence

## BENEFITS OF A LONG-TENURED AUDITOR

### HIGHER AUDIT QUALITY

- Institutional knowledge & deep expertise through 100+ years of experience with GE & 1,400+ statutory GE audits in 90+ countries

### EFFICIENT FEE STRUCTURE

- Familiarity with GE business keeps costs competitive

### NO ONBOARDING OR EDUCATING NEW AUDITOR

- Saves management's time & resources

## INDEPENDENCE CONTROLS

### THOROUGH AUDIT COMMITTEE OVERSIGHT

- Includes private meetings with KPMG (8X+ per year)
- Annual evaluation
- Committee-directed process for selecting lead audit engagement partner

### RIGOROUS LIMITS ON NON-AUDIT SERVICES

- Audit Committee preapproves non-audit services
- Certain types of otherwise permissible services prohibited
- KPMG engaged only when best-suited for the job

### STRONG INTERNAL KPMG INDEPENDENCE PROCESS

- Includes periodic internal quality reviews
- Large number of partners staffed on GE audit (~400)
- Lead audit engagement partner rotation every 5 years

### ROBUST REGULATORY FRAMEWORK

- KPMG subject to PCAOB inspections, Big 4 peer reviews & PCAOB/SEC oversight

## KPMG Fees

(in millions)	Audit <sup>1</sup>	Audit-related <sup>2</sup>	Tax <sup>3</sup>	All Other <sup>4</sup>	Total
<b>2017</b>	\$95.8	\$45.4	\$1.7	\$0.0	\$142.9
<b>2016</b>	\$81.5	\$6.9	\$1.5	\$0.0	\$89.9

- 1 Audit & review of financial statements for GE and BHGE 10-K/10-Q; internal control over financial reporting audit, statutory audits; year-over-year increase largely driven by the BHGE audit (\$32.3 million), which offset significantly lower recurring costs for the GE audit (\$63.5 million).
- 2 Assurance services, M&A due diligence and audit services; year-over-year increase driven by carve-out audits for businesses in advance of transactions, including GE Oil & Gas (\$30.0 million) our Water business (\$4.3 million) and Industrial Solutions (\$8.1 million).
- 3 Tax compliance & tax advice/planning.
- 4 GE did not engage KPMG for any other services. See "Audit" on page 57 of our 2018 Proxy Statement for more information.

## WHAT WE ARE PAYING FOR

**2** public company audits  
**1,400+** statutory audits globally  
**~400** partners

## REASONS FOR THE YEAR-OVER-YEAR INCREASE

- Additional audit for Baker Hughes, a GE company
- Carve-out audits for GE Oil & Gas, our Water business, and Industrial Solutions ahead of transactions



## 2018 Shareowner Proposals

**YOUR VOTE IS NEEDED ON THE FOLLOWING PROPOSALS**

**✕ YOUR BOARD RECOMMENDS A VOTE AGAINST THESE PROPOSALS**

Proposal	Proponent	What the proposal asks for	Why the Board recommends a vote Against the proposal
<b>1 Independent chair</b> see page 60 of our 2018 Proxy Statement	Kenneth Steiner	Require board chair to be independent at the next CEO transition	The Board conducted a thorough review at the time of the CEO transition, and GE continues to believe that our present leadership structure is the most effective for GE
<b>2 Cumulative voting</b> see page 61 of our 2018 Proxy Statement	Martin Harangozo	Allow shareowners to aggregate their shares & vote all for one or more nominees	Directors should be elected & accountable to all shareowners, not special interests
<b>3 Deduct impact of stock buybacks from executive pay</b> see page 62 of our 2018 Proxy Statement	Myra Young	Do not use earnings per share or financial ratios in setting executive pay targets unless the impact of stock buybacks is excluded	GE's Compensation Committee should not be restricted from setting performance goals that reflect the company's capital allocation strategy; buybacks had no impact on compensation for 2017
<b>4 Lobbying report</b> see page 63 of our 2018 Proxy Statement	NCPPR*	Provide annual report on GE's direct and indirect lobbying activity	GE already provides comprehensive disclosure of its political & lobbying activities and believes that further disclosure is unnecessary
<b>5 Buyback report</b> see page 64 of our 2018 Proxy Statement	Dennis Rocheleau	Prepare and mail to shareowners attending the 2018 annual meeting in person, and upon request, a report on GE's buyback activity from 2008–2017, including rationale for repurchase programs and metrics on administration	GE already discloses details on its buybacks and strategy in its quarterly and annual SEC filings, and preparing and mailing an additional hard copy report is inefficient and unnecessary
<b>6 Written consent</b> see page 65 of our 2018 Proxy Statement	William Steiner	Allow shareholders to act by written consent	GE already has a low threshold (10%) for calling special meetings and active investor outreach, making action by written consent unnecessary

\*NCPPR = National Center for Public Policy Research

## How to Submit a Proposal for Next Year

	Proposals to include in proxy*	Director nominees to include in proxy (proxy access)**	Other proposals/nominees to be presented at annual meeting**
Minimum GE stock ownership requirement	\$2,000	3% for 3 years (up to 20 shareowners can aggregate)	1 share
Deadline for GE to receive	Close of business on 11/14/18	Between 10/15/18 and close of business on 11/14/18	
Where to send	By mail: Corporate Secretary, General Electric Company, at the address listed on the inside front cover of this proxy statement By email: shareowner.proposals@ge.com		
What to include	Information required by SEC rules	Information required by our by-laws	

\*Proposals must satisfy SEC requirements, including Rule 14a-8.

\*\*Proposals not submitted pursuant to SEC Rule 14a-8, as well as any director nominees, must satisfy GE's by-law requirements, which are available on GE's website (see "Helpful Resources" on page 73 of our 2018 Proxy Statement).

## Sustainability at GE

### HOW WE WORK

GE brings to market innovative solutions that deliver essential energy, healthcare and transportation infrastructure. We work with the highest integrity, a compliance culture and respect for human rights while also reducing the impact of our technology and environmental footprint.

### GOVERNANCE

BOARD	The <b>GE Board of Directors</b> and its committees oversee the execution of GE's sustainability strategy and initiatives as part of their oversight of the Company's business strategy and risk management. In particular, the <b>Governance &amp; Public Affairs Committee</b> assists the board in its oversight of corporate social responsibilities, significant public policy issues and climate change-related trends. The Board and its committees periodically review sustainability-related topics such as environment, health & safety (EHS) matters and political contributions.
MANAGEMENT	GE's sustainability approach and programs are coordinated by a <b>Sustainability Steering Committee</b> composed of a cross-functional group of leaders from across GE and chaired by the Vice President of EHS. This committee establishes sustainability priorities for the Company where both the need as expressed by critical stakeholders and GE's unique potential for impact are greatest. In 2018, the committee plans to focus on integrity & compliance, human rights and climate & energy.
RISKS	The <b>Risk Factors</b> section of our Form 10-K discusses important risks that GE faces, including product safety, supply chain risks, risks to our reputation and developments such as climate change that present both opportunities and risks for our businesses.
COMPENSATION	Annual "blueprints" for GE's businesses include <b>sustainability-focused goals</b> (e.g., cybersecurity, product safety, employee development, compliance, employee safety) in addition to financial and operational metrics, and performance against these goals factors into bonus and other pay decisions for corporate and business leaders.

### WHERE CAN YOU FIND MORE INFORMATION

This report provides an overview of key elements of our sustainability strategy and programs. See the Reports Hub on our **Sustainability Website** ([www.ge.com/sustainability/reports-hub](http://www.ge.com/sustainability/reports-hub)) for a complete listing and links to relevant policies and reports. You should also refer to our **Proxy Statement** for additional details about our governance and compensation practices.

## Environment, Health & Safety

### EHS PROGRAM

We are committed to EHS excellence to protect our people, our communities and the GE brand. We hold ourselves to the same high expectations and standards everywhere we work, and we assess the EHS impacts of our businesses globally before, during and after operations. Our site, project and service managers are accountable for the EHS performance of the operations, employees, and contractors they supervise, and we monitor this performance through indicators such as injury rates and global greenhouse gas emissions. EHS excellence is fundamental to who we are—it is what our leaders expect and our customers demand, and it is a commercial differentiator.

### CLIMATE

GE supports carbon policies to reduce emissions and encourage businesses to do what they do best: innovate and compete to create and disseminate new technologies and solutions at the lowest net cost. The Paris Agreement will lead to efforts around the world to reduce global greenhouse gas emissions. GE plays an important role by providing more energy efficient, cleaner and more cost-effective products to our customers in the power, aviation, healthcare and other industries that we serve. We are committed to reducing the environmental impact of our own operations, while enabling our customers and partners globally to do the same through our products and solutions.

### PRODUCT HIGHLIGHTS

We play a significant role in cleaner and more efficient energy use through the products and technologies we provide to customers.



#### GE9X ENGINE

The GE9X jet engine will power Boeing's long-range 777X and be the largest aircraft engine ever produced. It will generate 10% less CO<sub>2</sub> greenhouse gas emissions and 45% less smog-causing emissions than the GE90-115B engine it replaces.



#### RESERVOIR ENERGY STORAGE

GE's Reservoir is a flexible, compact energy storage platform for the grid. As clean but variable power sources like wind and solar start to become a larger part of the energy matrix, energy storage can help keep the grid in balance and increase power availability. The fundamental building block for the platform is the 1.2 megawatt, 4 megawatt-hour Reservoir storage unit, which enables up to 15% longer battery lifecycle than previous systems and holds enough energy to provide power to a community of 120 homes for an entire day.



#### HALIADE-X OFFSHORE WIND TURBINE

The Haliade-X 12-megawatt turbine will be capable of powering 16,000 homes and producing 67 gigawatt-hours per year, based on wind conditions of a typical German North Sea site. That represents 45% more energy than any other offshore wind turbine available today.

### KEY INDICATORS

	2017	2016	2015
Injury & illness incident rate <sup>a</sup>	0.63	0.77	1.01
Reportable environmental events <sup>b</sup>	63	87	85
Greenhouse gas reduction since 2011 <sup>c</sup>	Available in 2Q 2018	18%	12%
Water reduction since 2011 <sup>c</sup>	Available in 2Q 2018	29%	17%

(a) Based on 100 employees working 200,000 hours annually

(b) All reportable environmental events, including spills, releases, air and wastewater exceedances

(c) GE adjusts its 2011 baseline inventory annually to account for acquisitions and dispositions; prior year results do not reflect most recent adjusted baselines

## Integrity

### COMPLIANCE CULTURE

Effective compliance depends on culture and leadership. We view our reputation for integrity and compliance as a competitive and recruiting advantage, and we expect our leaders from the top down to lead by example to create a culture of compliance. We are also committed to an open reporting environment in which employees are encouraged to promptly raise concerns about potential violations of law or GE policy and to feel confident that they can do so without fear of retaliation. We regularly measure how we are performing in this area and strive for continuous improvement.

### ETHISPHERE

Recognized on list of  
World's Most Ethical Companies  
for 12 straight years (2007-2018)

### THE SPIRIT & THE LETTER

Our integrity policy details the expectations of every employee in specific areas such as improper payments, working with governments, competition law, international trade compliance, cybersecurity and privacy and fair employment practices. *The Spirit & The Letter* is underscored by an extensive system of policies, processes, training and communications, and approximately 300 compliance professionals across the Company support our programs.

See the Reports Hub on our Sustainability Website  
([www.ge.com/sustainability/reports-hub](http://www.ge.com/sustainability/reports-hub)) for a copy of  
*The Spirit & The Letter*.

### KEY INDICATORS

	2017	2016	2015
Open reporting policy concerns reported	4,441	4,471	3,844
Disciplinary actions in response <sup>a</sup>	1,423	1,369	1,125

(a) Actions in response to closed matters through February 2018; actions correspond to year in which concern was reported, not necessarily year action was taken

We view the number of concerns reported through our internal open reporting program (including, in some circumstances, increases in the number of concerns reported) as one of the best indicators of the GE's culture of integrity. When employees report integrity concerns, they make GE stronger and help prevent small issues from becoming problems.

## Human Rights & Supply Chain

### HUMAN RIGHTS

GE's approach to the world's complex human rights challenges starts with its Statement of Principles on Human Rights, which outlines GE's commitment to respecting human rights wherever we operate. GE's first U.K. Modern Slavery Act (MSA) Transparency Statement, published in 2017, describes the efforts we have taken to prevent forced labor where we operate, with auditors specifically trained on forced labor, an extensive global supply chain audit program and collaboration with global associations to find better ways to address the problem.

For GE's Statement of Principles on Human Rights and U.K. MSA Transparency Statement, see the Reports Hub on our Sustainability Website ([www.ge.com/sustainability/reports-hub](http://www.ge.com/sustainability/reports-hub)).

### ETHICAL SUPPLY CHAIN

Suppliers are critical partners in GE's value chain. As a global company, our supply chain includes locations where environmental, health, safety, labor, human rights and other practices can be problematic. We expect our suppliers to obey minimum standards that require fair treatment of workers, a safe and healthy work environment and environmental protection. Our Supplier Integrity Guide (SIG) governs all facets of our relationships with suppliers and includes specific prohibitions against forced, prison or indentured labor and against subjecting workers to any form of compulsion, coercion or human trafficking. At GE, we drive better outcomes through our collaboration and partnership with suppliers and other stakeholders. One such collaboration is the Global Business Initiative for Human Rights, which GE co-founded as a forum for multinationals to openly discuss human rights challenges and leverage best practices.

### COMMITMENTS & RECOGNITION

#### UN GLOBAL COMPACT (UNGC)

Signatory  
(2008-present)

#### HUMAN RIGHTS CAMPAIGN

Best Places to Work  
for LGBT Equality  
(2017)

#### WORKING MOTHER

100 Best Companies  
for Working Mothers  
(2017)

## Public Policy

### POLICY PRIORITIES

We engage globally with public policymakers as legal and appropriate when we believe it will serve the best interests of GE, our investors, employees, suppliers and other stakeholders. We survey the public policy issues and priorities across our businesses and the regions where we operate as part of setting the Company's priorities, evaluating potential reputational and other risks, allocating resources and developing appropriate advocacy strategies.

### INDEPENDENT OVERSIGHT OF POLITICAL SPENDING

GE employees engage with public officials at all levels of government to inform them about GE's operations, emerging technologies and markets, and to share views on public policy issues. Some communications with government officials may be reportable as lobbying communications, and GE's U.S. lobbying expenses are included in Lobbying Disclosure Act (LDA) reports and/or state or local lobbying disclosure reports. GE also participates in the political process through contributions by GE's voluntary employee-funded political action committee (GEPAC) and through Company contributions, where legal and appropriate. The GE Board's Governance & Public Affairs Committee, which is made up entirely of independent directors, oversees and reviews GE's political activity policies and practices, approves an annual political contributions budget and receives semi-annual reports on GE's political activity as part of its oversight responsibilities.

### KEY INDICATORS

	2017	2016	2015
Political contributions <sup>a</sup>	\$165K	\$804K	\$721K
Lobbying <sup>b</sup>	\$7.2M	\$6.3M	\$21.0M

(a) Bi-partisan contributions by GE to political candidates and committees; does not include contributions by GEPAC

(b) Total LDA expenses

## Philanthropy

### GE FOUNDATION

The GE Foundation, the philanthropic organization of GE, is committed to transforming our communities and shaping the diverse workforce of tomorrow by leveraging the power of GE. The GE Foundation created the concept of a corporate matching gift program in 1954 to support employees in their personal philanthropy/charitable giving.

### FOCUS AREAS

The GE Foundation aims to increase access to quality healthcare in underserved communities around the world. For example, a \$25 million commitment to Safe Surgery 2020 aims to improve surgical capacity, leadership and innovation, in developing countries. The GE Foundation also seeks to empower students to become globally productive citizens by providing access to learning experiences necessary for the workforce of tomorrow. In 2016, for example, GE made a \$25 million commitment to drive science, technology, engineering and mathematics (STEM) education in Boston Public Schools. GE and the GE Foundation also respond to major global disasters and humanitarian crises, drawing on our people, technology and other resources.

### KEY INDICATORS

	2017	2016	2015
Giving by GE Foundation <sup>a</sup>	\$71M	\$88M	\$106M
Total giving by GE Foundation, GE businesses and employees/retirees <sup>b</sup>	Available in 2Q 2018	\$171M	\$201M

(a) Includes GE Foundation's matching of employee/retiree gifts

(b) Includes GE Foundation's matching of employee/retiree gifts and corresponding employee/retiree gifts

## Annual Meeting



You are invited to attend GE's 2018 annual meeting. This page contains important information about the meeting, including how you can make sure your views are represented by voting today. Be sure to also check out our proxy and annual report at the websites below.

Cordially,  
**Alex Dimitrief, Secretary**

### LOGISTICS

#### DATE:

April 25, 2018

#### TIME:

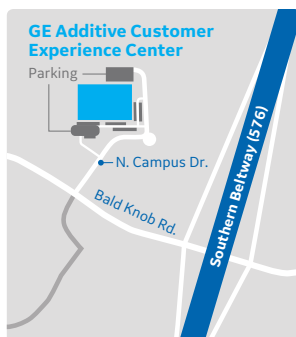
10:00 a.m. Eastern Time

#### WEBCAST:

[www.ge.com/investor-relations](http://www.ge.com/investor-relations)

#### LOCATION:

**GE Additive Customer Experience Center**  
101 N. Campus Drive  
Imperial, Pennsylvania 15126



#### ATTENDING IN PERSON:

You must be a GE shareowner as of the record date, and you must bring your admission card & photo ID. Follow the instructions on page 69 of our 2018 Proxy Statement or on our proxy website

### VOTING Q&A

#### Who can vote?

Shareowners as of our record date, February 26, 2018

#### How many shares are entitled to vote?

8.7 billion common shares (preferred shares are not entitled to vote)

#### How many votes do I get?

One vote on each proposal for each share you held as of the record date (see first question above)

#### Do you have an independent inspector of elections?

Yes, you can reach them at IVS Associates, 1000 N. West St., Ste. 1200, Wilmington, DE 19801

#### Can I change my vote?

Yes, by voting in person at the meeting, delivering a new proxy or notifying IVS Associates in writing. But, if you hold shares through a broker, you will need to contact them

#### Is my vote confidential?

Yes, only IVS Associates & certain GE employees/agents have access to individual shareowner voting records

#### How many votes are needed to approve a proposal?

Majority of votes cast; abstentions & broker non-votes generally are not counted & have no effect

#### Where can I find out more information?

See "Voting & Meeting Information" on page 67 of our 2018 Proxy Statement

### AGENDA

#### Elect the 12 directors named in the proxy for the coming year

- ✓ Your Board recommends a vote **FOR** each director nominee

read more on page 10 of our 2018 Proxy Statement

#### Approve our named executives' compensation in advisory vote

- ✓ Your Board recommends a vote **FOR** this proposal

read more on page 27 of our 2018 Proxy Statement

#### Approval of the GE International Employee Stock Purchase Plan

- ✓ Your Board recommends a vote **FOR** this proposal

read more on page 55 of our 2018 Proxy Statement

#### Ratification of the selection of KPMG as independent auditor for 2018

- ✓ Your Board recommends a vote **FOR** this proposal

read more on page 57 of our 2018 Proxy Statement

#### Vote on shareowner proposals included in proxy if properly presented at the meeting

- ✗ Your Board recommends a vote **AGAINST** each proposal

read more on page 60 of our 2018 Proxy Statement

Shareowners also will transact any other business that properly comes before the meeting

### HOW YOU CAN VOTE

Do you hold shares directly with GE or in the Retirement Savings Plan (RSP)?

Do you hold shares through a bank or broker?



Use the Internet at  
[www.proxypush.com/GE](http://www.proxypush.com/GE)

Use the Internet at  
[www.proxyvote.com](http://www.proxyvote.com)



Call toll-free (US/Canada)  
1-866-883-3382

Call toll-free (US/Canada)  
1-800-454-VOTE (8683)



Mail your signed  
proxy form

Mail your signed  
voting instruction form

#### Check out our proxy statement and annual report for more information

[www.ge.com/proxy](http://www.ge.com/proxy)

[www.ge.com/annualreport](http://www.ge.com/annualreport)





## 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,” “estimate,” “forecast,” “target,” “preliminary,” or “range.”*

Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about our intention to exit \$20 billion or more of assets in 2018 and 2019; charges and capital contributions that may be required in connection with GE Capital's run-off insurance operations, and related GE Capital portfolio actions; revenues; organic growth; cash flows and cash conversion, including the impact of working capital, contract assets and pension funding contributions; earnings per share, including the impact of the new revenue recognition accounting standard; growth and productivity associated with our Digital and Additive businesses; profit margins; cost structure and plans to reduce costs; restructuring, goodwill impairment or other financial charges; tax rates; transaction-related synergies, proceeds and gains; returns on capital and investment; capital allocation, including liquidity, organic investment, dividends and other priorities; or capital structure and access to funding, including credit ratings, debt-to-earnings ratios and leverage.

For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include:

- our execution of GE Industrial and GE Capital business or asset dispositions, including sale prices, the timing of disposition proceeds and potential trailing liabilities, as well as our ongoing portfolio review;
- the amount and timing of our GE Industrial cash flows and earnings, which may be impacted by customer, competitive, contractual and other dynamics and conditions;
- our capital allocation plans, as such plans may change including with respect to the timing and amount of GE dividends, organic investments, including research and development, investments in Digital and capital expenditures, pension funding contributions, acquisitions, joint ventures and other strategic actions;
- our ability to maintain our current short- and long-term credit ratings and the impact on our funding costs and competitive position if we do not do so;
- customer actions or market developments such as reduced demand for equipment and services in our Power business as a result of increased market penetration by renewables, shifts in the competitive landscape for our products and services, changes in economic conditions, including oil prices, early aircraft retirements and other factors that may affect the level of demand and financial performance of the major industries and customers we serve;
- changes in law, economic and financial conditions, including the enactment of tax reform or other tax law changes, 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 GE Capital's ability to sell financial assets, the availability and cost of GE Capital funding and GE Capital's exposure to counterparties;
- pending and future mortgage loan repurchase claims, other litigation claims and the U.S. Department of Justice's investigation under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and other investigations in connection with WMC, which may affect our estimates of liability, including possible loss estimates;
- our ability to launch new products in a cost-effective manner;
- our ability to increase margins through restructuring and other cost reduction measures;
- our ability to convert pre-order commitments/wins into orders/bookings;
- the price we realize on orders/bookings since commitments/wins are stated at list prices;
- the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of WMC, Alstom and other investigative and legal proceedings;
- our success in completing, including obtaining regulatory approvals and satisfying other closing conditions for, announced transactions, such as our plans to sell our Industrial Solutions business, the substantial majority of our Lighting segment or other dispositions that we may pursue;
- our success in integrating acquired businesses and operating joint ventures, and our ability to realize revenue and cost synergies from announced transactions, acquired businesses and joint ventures, including Alstom and Baker Hughes, a GE company (BHGE);
- the impact of potential information technology, cybersecurity or data security breaches;
- the other factors that are described in “Forward-Looking Statements” in Baker Hughes, a GE company's, most recent earnings release or SEC filing; and
- the other factors that are described in “Risk Factors” in our 2017 Annual Report on Form 10-K.

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.





General Electric Company  
41 Farnsworth Street  
Boston, MA 02210  
[www.ge.com](http://www.ge.com)

3.EPC055148101R.101

