A NEW KIND OF INDUSTRIAL COMPANY
GE’s mission is to invent the next industrial era, to build, move, power and cure the world.

GE imagines things others don’t, builds things others can’t and delivers outcomes that make the world work better. GE brings together the physical and digital worlds in ways no other company can. In its labs and factories and on the ground with customers, GE is inventing the next industrial era to move, power, build and cure the world.

On the cover: Christie Drabic, Richard Simpson, Foday Bayan (seated in locomotive) and Dennis Peters, GE Transportation
Back row (left to right):
JOHN G. RICE
Vice Chairman and CEO, Global Growth Organization
MARK M. LITTLE
Senior Vice President and Chief Technology Officer
JEFFREY R. IMMELT
Chairman of the Board and Chief Executive Officer
DANIEL C. HEINTZELMAN
Vice Chairman, GE, and Chairman and Chief Executive Officer, GE Capital
KEITH S. SHERIN
Vice Chairman, GE Capital, and Chairman and Chief Executive Officer, GE Capital

Front row (left to right):
JAMIE S. MILLER
Senior Vice President and Chief Information Officer
BRACKETT B. DENNISTON III
Senior Vice President and General Counsel
SUSAN P. PETERS
Senior Vice President, Human Resources
JEFFREY S. BORNSTEIN
Senior Vice President and Chief Financial Officer
BETH COMSTOCK
Senior Vice President and Chief Marketing Officer

2014 PERFORMANCE

<table>
<thead>
<tr>
<th>2014 GOALS</th>
<th>2014 RESULTS</th>
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<tr>
<td>Grow Industrial segments</td>
<td>10%</td>
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<tr>
<td>Organic revenue growth</td>
<td>4%–7%</td>
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<tr>
<td>Margin expansion</td>
<td>+</td>
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<tr>
<th>Disciplined/balanced capital allocation</th>
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<tr>
<td>GE CFOA</td>
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<tr>
<td>Buyback + dividend</td>
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<td>Dispositions</td>
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<table>
<thead>
<tr>
<th>2015 GOALS</th>
</tr>
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<tbody>
<tr>
<td>1 Industrial Operating EPS: $1.10–$1.20</td>
</tr>
<tr>
<td>• Double-digit EPS growth</td>
</tr>
<tr>
<td>• Margin expansion</td>
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<tr>
<td>2 GE Capital Operating EPS: ~$0.60</td>
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<tr>
<td>• EPS could be lower if ENI reduced faster than expected</td>
</tr>
<tr>
<td>3 Free Cash Flow + Dispositions: $12B–$15B</td>
</tr>
<tr>
<td>4 Cash Returned to Investors: $10B–$30B</td>
</tr>
<tr>
<td>• Dividend + Synchrony split-off</td>
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</tbody>
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Key Transactions (announced)
- Alstom Power & Grid
- Synchrony IPO
- Appliances disposition

GE 2014 ANNUAL REPORT
A New Kind of Industrial Company

Companies and leadership teams go through cycles. Sometimes companies play it safe, defend the status quo or manage momentum. Not GE. We have the ambition to lead the next generation of industrial progress. So we have been profoundly changing our company.

We have reshaped the portfolio from a broad conglomerate to a more focused infrastructure leader and took important steps in that pivot last year. We invested in enterprise capability that allows GE to win in a volatile world. We lead the merger of machines and analytics through the Industrial Internet to drive new levels of productivity. We positioned our businesses to achieve superior customer outcomes. And, we ran the Company in a simpler, faster and more accountable way. We have rebuilt GE in a volatile economy, one that favors only the most competitive.
We are creating a more valuable GE for you. From 2014 to 2016, we are focused on delivering an important financial pivot. This includes: growing EPS each year; achieving 75% of our earnings from industrial businesses; returning $50 billion to investors; and growing margins and returns. In 2014, our share performance trailed S&P 500 returns; over the past five years, our total returns grew by 96%. And, we are convinced that this pivot will deliver a much higher valuation over time.

Today, we offer you consistent growth in a volatile world, with a strong dividend yield. Our businesses are performing well. We have a foundation of broad and deep competitive advantage. Our best days are ahead of us, and we are determined to deliver for you.

A Year of Purposeful Portfolio Moves

In 2014 we continued to reshape the Company.

In May, we announced an agreement for the acquisition of Alstom’s Power & Grid business, the largest in GE’s history. This highly strategic investment brings complementary products and services in power and greatly strengthens GE’s position in the grid sector. Alstom will benefit from GE’s strength in technology, service and in growth markets.

In July, we began the spinoff of Synchrony Financial, our Retail Finance business. GE still owns 85% of this new company, currently valued at $26 billion. By the end of 2015, we expect to spin this company to GE investors in a capital-efficient exchange for about 8% of our shares outstanding.

In September, we announced the sale of our Appliances business to Electrolux for $3.3 billion, a good price which will generate a pretax gain of more than $1 billion. Despite our 100-year history in appliances, the business did not fit our core strengths, nor was our competitive position favorable. We believe that the capital can best be deployed elsewhere.1

These portfolio moves cap a decade where we repositioned GE as a more focused, high-value industrial company. During this time, we have completed more than $100 billion of acquisitions and disposi-

1. The Alstom, Synchrony and Appliances transactions are each subject to regulatory approval.

GE remains unique in the sense of combining industrial strength with a significant financial services capability. To be clear, GE is an industrial company first and foremost. GE Capital must enhance our industrial competitiveness, not detract from it. We see a significant advantage in our ability to bring financial solutions to industries like aviation, energy and healthcare. But make no mistake, the ultimate size of GE Capital will be based on competitiveness, returns and the impact of regulation on the entire company.

The result of these moves is a strong, multi-business industrial company, and proudly so. Each of our businesses is a leader in their industries. Our diversity gives GE the financial strength to capitalize on cycles.
HA-TURBINE

The largest, most fuel-efficient gas turbine in the world, which can save our customers millions of dollars every year on fuel costs. Using a FastWorks approach, the GE Power & Water team launched the turbine in just under two years, bringing it to market in about half the time traditionally required.

ADVANCED MANUFACTURING IMPACT

• Improves turbine performance
• Boosts fuel range and efficiency
• Increases speed to market

>950,000 POUNDS

OVER 61% EFFICIENT

UP TO 510 MW OF ELECTRICITY GENERATED

>950,000 POUNDS

3,000 SENSORS

3,000 SENSORS

> $10M PER UNIT IN ANNUAL FUEL SAVINGS

4. GE 2014 ANNUAL REPORT

1. Compared to today’s F-class and fuel cost of $10/mmbtu.
and uncertainty. And, we generate incremental earnings through our shared capabilities, harnessing the value of collaboration.

Building Valuable Businesses
GE leads in power, healthcare, aviation, water, transportation, and oil & gas—the infrastructure markets that move, power, cure and build the world. We compete in infrastructure markets because they are big, growing and essential for global economic progress. We estimate that more than $70 trillion will be invested in infrastructure by 2030.

Leadership in infrastructure requires breadth and depth. This is how we win.

We innovate at scale. In 2014, we launched two products that will generate $100 billion of revenue over their lives. The CFM LEAP™ jet engine will power the next generation of narrow-body aircraft and is 15% more fuel-efficient than the engine it replaces. Since launch, we have captured 79% market share, and LEAP is the fastest-growing engine in our history. Similarly, the H turbine is a technological marvel—the largest, most fuel-efficient gas turbine in the world—and will save our customers $8 billion per year on fuel. It is on pace to be one of our most successful gas turbine launches in history.

We deliver customer outcomes. GE is the only company positioned to deliver locomotives that meet new EPA standards in 2015. This machine is a modern miracle. The Tier 4 locomotive’s emissions are 76% lower in nitrogen oxide with 85% fewer particulates than our engines from 10 years ago. We invested ahead of demand, finishing our product to be ready for 2015 deliveries. As a result, GE was ready and our competition was not, allowing us to capture the majority of the market, shipping more than 2,000 locomotives over the next two years.

We solve global problems. GE is the largest industrial multinational, with about $80 billion of revenue outside the U.S. This allows us to execute projects that others can’t. In Ghana, GE will bring 1,500 MW of electricity to a
We are deep. The markets where we compete have technical risk. As a result, deep domain expertise is required. In addition, achieving low cost requires capturing supply chain value. GE has decades of experience that is necessary to develop complex technical systems and build customer trust.

We constantly improve. The healthcare industry is 10% of global GDP and going through change. It is an area where we have been repositioning our business to succeed in a market that is demanding more technology, more flexibility and more tailored solutions. We are confident that all the innovations we are developing—from portable diagnostic tools to analytical offerings and next-gen imaging—are going to be critical growth drivers for the future.

We innovate with new business models. Our customers want more flexibility, converting capital investments to operating expenses. We can apply our expertise in GE Capital to enhance the value of our industrial offerings. By packaging financing with high-tech solutions, we can deliver customer value in markets like healthcare, oil and gas and distributed power.

We expand our capability. Markets are constantly in motion. And, we must pivot to stay in the lead. Over the past 10 years, we have invested $20 billion to establish positions in businesses such as Life Sciences, Water, Aviation Systems and Renewable Energy. In Life Sciences, GE has a leadership position in bioprocess manufacturing and diagnostics for drug discovery. In Water, we are a leader in industrial reuse; in 2014, we were rated the industry’s most innovative company. In Aviation Systems, GE captured the valuable Common Core Avionics Systems for the new Boeing 777, establishing us as a tier one avionics company.

We create value through cycles. Our financial strength allows GE to invest when others walk away. For instance, Europe is a big economy, but it’s stuck in neutral, and EU consensus and governance are proving challenging. But in Europe, we can develop infrastructure innovation for global markets. We export $15 billion from that region. We see capability in Europe and will invest there today for long-term benefit.

Since becoming CEO, I have seen cycles. In each case, GE improved its share. We experienced strong headwinds at the end of the U.S. power bubble in 2002. But, in subsequent years, we made operational improvement, and broadened our reach. We invested in renewable energy and distributed power. Today, our business is bigger and stronger. Most memorably, our Aviation business experienced significant downdrafts after the 9/11 tragedy, SARS and financial crisis. But, we made billions in investment decisions at the bottom of the cycle that today you know as the GEnx, LEAP and GE9X engines. We have $134 billion in backlog and expanding strategic leadership within the entire sector. In down years, other businesses funded Power and Aviation competitiveness.

Yes, today, we are facing a 50% drop in the price of oil, and the industry is in turmoil. But a growing population creates long-term resource demand and, over time, prices will recover. We view this cycle as an opportunity. GE plans to be a stable partner to our oil and gas customers during good times and bad, and a very tough competitor. Similar to Aviation cycles, we will offer solutions to our customers’ efficiency challenges. The oil and gas industry should be able to compete at current oil pricing. GE will lead.

We compete. Each of our businesses lead in their industries. Each has the potential for high margins and returns. Each has sufficient scale and capability to deliver for customers and capitalize on growth themes.

Enterprise Strength: The GE Store
We drive enterprise advantages that benefit the entire company, through what we call the “GE Store.” It means that every business in GE can share and access the same technology, markets, structure and intellect. The value of the GE Store is captured by faster
HOW WE POWER THE WORLD WITH INNOVATION

MAJOR PRODUCT LAUNCHES IN 2014

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

LEAP\(^1\) ENGINE

- Unique technology developments in additive manufacturing and advanced materials
- Breakthrough pressure ratio

1,355 orders in 2014

TIER 4 LOCOMOTIVE

- First freight locomotive to meet the EPA’s Tier 4 emissions standard in North America
- 70% reduction in emissions (estimated) compared to GE’s Tier 3 locomotive

10 orders globally in 2014

SIGNA PET/MR SCANNER

- 3x more sensitive than previous generation of PET scanners
- Proprietary detector technology

15 units in backlog

+30 units technically selected

HA-TURBINE

- World’s largest, most efficient gas turbine
- Generates power equivalent to >750,000 homes, in combined cycle

20K BLOWOUT PREVENTER

- The oil and gas industry’s first 20,000-psi rated deepwater drilling system
- Reliable and durable in ultra-deepwater, at temperatures up to 350°F
LEAP\textsuperscript{1} ENGINE

The LEAP will power the next generation of narrow-body aircraft, and is 15% more fuel-efficient than the engine it replaces.

1. LEAP is a trademark of CFM International, a 50-50 joint venture between Snecma (Safran) and GE.
growth at higher margins; it makes the totality of GE more competitive than the parts.

No other company has the ability to transfer intellect and technology as GE can through the Store. We take alternators from our aircraft engines, designed to pass rigorous FAA certification, and use them to improve the motors for pumping oil from the ground. We use imaging technology from healthcare equipment to inspect oil pipelines. And we bring the composite materials from our aircraft engines to our MRI equipment, to reduce weight and enhance image quality.

All of our businesses can shop at the GE Store, and it lets us continue to win in several crucial areas:

**GE wins with technology.** Our Global Research Centers let us develop common technology that we can push across the Company’s businesses. For instance, we are currently making substantial investments in advanced manufacturing. We are developing a common approach to materials and additive manufacturing. We expect to significantly increase the number of our parts manufactured through additive processes by 2020 with advancements in all of our businesses. The GE Store will allow GE to achieve generational leadership in manufacturing.

**GE wins in growth markets.** GE has close to $50 billion of orders in growth markets, up 9% in 2014. And, with $21 billion of exports, we lead economic development around the world. The source of our strength is our Global Growth Organization. Winning globally requires scale to build new positions in growth markets with the speed to solve local needs. GE has built a $6 billion position in Africa over the last decade, virtually from scratch. We have built factories, training centers and partnerships required for long-term growth. At the same time, in markets like India, we can deliver customized healthcare offerings in rural settings. We take the healthcare products we develop in India to other value markets in China and Latin America.

**GE wins with services.** Our service orders were nearly $50 billion in 2014, up 10%. We ended the year with about $189 billion in long-term service agreements. Our installed base is valuable for our customers with a replacement value of nearly $2 trillion. GE’s integrated strength is in our Service Council. Here, our top service leaders can utilize inspection technology from Healthcare and apply it to condition-based monitoring in Power; or use repair technology from Aviation to improve productivity in Transportation; or use data and analytics to reduce customer downtime.

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**CULTURE OF SIMPLIFICATION**

**Integrated Culture Change**

**LEAN MANAGEMENT**

Running GE differently... fewer things better... most decisions distributed... small headquarters & functions... respect domain

**SPEED & COMPETITIVENESS**

Combining FastWorks with Lean, Six Sigma... democratized: broad competitive intensity; mistakes & pivots a part of good management

**COMMERCIAL INTENSITY**

Seamless market alignment globally; more horizontal solutions for customers... only value winning

**DIGITAL CAPABILITY**

Smartest & most efficient company in the world... new talent base bringing new skill set
Industrial Internet has the ability to drive unprecedented gains in productivity and efficiency. It will create high-skilled, high-paying jobs for workers trained in data analytics and engineering, and could add $10–$15 trillion to global GDP. GE can seize this opportunity in a way no other company can. There are some businesses that design software, and others that focus on building and manufacturing. But GE is the only company that can join innovative technology with industrial depth. That is important as our customers seek outcomes that deliver lower unit cost.

We are investing more in enterprise IT to create a foundation for speed and efficiency, essential to win in the Industrial Internet. We are putting 70% of our applications on the cloud to improve flexibility. And, we are launching game-changing applications to improve our efficiency. An example is our “Brilliant Factory” initiative where we are unleashing the power of analytics in our manufacturing plants. In Healthcare, we already see improvements in yield, sourcing and uptime; design changes can now be done in 24 hours instead of three weeks. We are investing in software and analytics capability, investments that small companies or one-dimensional companies cannot make. GE’s installed base has 10 million sensors and collects 50 million data elements. By analyzing this data—and combining it with our deep knowledge of our machines—we can generate substantial savings for our customers and GE.

In Aviation, we now collect performance data for 10 million flights; more than 1,500 terabytes of data. This data can be used to segment flight operations and engine performance, which can allow for customized maintenance cycles. Across industry, these small changes in performance create big benefits in profitability. With the Industrial Internet, analytics become predictive, employees increase productivity and machines are self-healing.

GE has a lean structure. Our administrative cost is heading toward 12% of sales, below most of our peers. We run the Company with small headquarters, common processes and shared services. Through our Global Operations, we aim to move 65% of our processes into shared services at world-class costs. A key part of our efficiency is a common and flexible IT backbone. The GE Store drives low cost.

We develop leaders. The cultural backbone for the GE Store remains our leadership institute at Crotonville. We invest $1 billion in learning and development each year, and we train 40,000 employees in Crotonville courses each year. Around the world, we offer “capability building” to countries where we invest, as an additional benefit to a “GE job.” We train customer executives, invest in schools, develop small business and bring higher standards. This unique cultural edge allows us to beat global competitors far from home.

We will leverage all of the GE Store as we embrace the Alstom acquisition. Alstom has a similar customer base, but different technologies; and we are making the investment at the right point in the cycle. The synergies are straightforward and within our capability to execute. Just by bringing the Alstom businesses to GE’s operating standards, we will create billions of dollars in value. Between GE and Alstom, there are more than $1 billion of sourcing opportunities on components one of us currently manufactures. GE can add global service, project finance and technology; all from the GE Store.

Big Iron + Big Data = Big Outcomes

The most important addition to the GE Store remains our expertise in building the connective tissue of 21st century infrastructure. Today, GE is leading the way toward an age of brilliant machines that can harness reams of data to deliver transformative progress for people and businesses around the world. This is the most important initiative I have led at GE.

We call this the Industrial Internet and are convinced that there are few limits to its potential. Economists believe that the
Our industrial performance was broad-based with 5/7 segments growing. Industrial organic revenue growth was 7%, substantially above our peers. We ended the year with $261 billion of backlog, a record. Margins expanded to 16.2%. We continued to see the benefits from simplification and our productivity programs. CFOA was $15.2 billion, and free cash flow was $11.2 billion, up 6%. We had solid performance on cash, but there is room for upside in the future.

Our goal is to hit 17% margins and returns by 2016. Over the last few years, we have made substantial progress on our structural cost, reducing it by $4 billion to a world-class level. The next wave of improvement will be targeting product cost, segment gross margins and returns.

GE has approximately a $100 billion cost base, 70% of which are direct product and service costs. Our “segment gross margins,” the revenue in excess of these costs, are 27%.

The Industrial Internet will transform GE. Wind is one of our newest businesses. “PowerUp” is a Predictivity app that increases wind farm output by 5% and profitability by 20% through controls and analytics. Lighting is our oldest business. The combination of LEDs and analytics puts a computer where a light bulb used to be. In cities around the world, GE is working to transform street lighting into the analytical brain of urban life. Today, Lighting is becoming a high-tech infrastructure business. It is a gateway for most energy management solutions.

GE will create investor value through our leadership in the Industrial Internet. Our deep knowledge of machines is a profound advantage, and our domain expertise is necessary to make analytics meaningful. Because of our existing service relationships with customers, we have a gateway to create valuable outcomes for them and profitable growth for GE.

**Value Creating Execution**

Last year, we asked you to look at our earnings over a three-year period, from 2014–16. Over that time, we would improve our earnings mix to more than 75% industrial, return $50 billion to investors in dividends and share repurchase, while growing returns and EPS each year.

In 2014, we executed the first phase of that journey. We grew operating EPS 1% to $1.65. Our industrial segment profits were up 10%, while financial profits declined 12%. GE’s industrial earnings are about 60% of our total. GE Capital ENI declined 5% to $363 billion. GE Capital ended the year with a Tier 1 capital ratio of 12.7% and $76 billion of liquidity.

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**THE BRILLIANT FACTORY**

At factories like GE’s new multimodal manufacturing facility in Pune, India (pictured below), we are harnessing the power of analytics to make our products—everything from wind turbines to locomotives in this facility—more efficiently and at lower cost.
GE GLOBAL FOOTPRINT

We sell in 175 countries. In 2014, 22 countries each generated revenues of $1B+

<table>
<thead>
<tr>
<th>GROWTH MARKET PRESENCE (2014)</th>
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<tbody>
<tr>
<td>750+ Executives in growth markets</td>
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<tr>
<td>12,000 Services employees in Global Growth Organization</td>
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<tr>
<td>10,500 Commercial employees in Global Growth Organization</td>
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<tr>
<td>50+ Service shops outside of the U.S.</td>
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<td>100+ Global factories</td>
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<tr>
<th>GROWTH MARKET HIGHLIGHTS</th>
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<tbody>
<tr>
<td>Growth market revenues</td>
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<tr>
<td>$27B</td>
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<td>$43B</td>
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<th>GLOBAL OPERATIONS CENTERS</th>
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<tr>
<td>Shared services locations allow GE to do business efficiently at scale.</td>
</tr>
<tr>
<td>Pudong, China</td>
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<tr>
<td>Cincinnati, USA</td>
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<tr>
<td>Budapest, Hungary</td>
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<tr>
<td>Riyadh, Saudi Arabia</td>
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<tr>
<td>Monterrey, Mexico</td>
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<th>GLOBAL RESEARCH CENTERS</th>
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<td>GE’s nerve centers of innovation.</td>
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<tr>
<td>Shanghai, China</td>
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<tr>
<td>Bangalore, India</td>
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<td>Tirat Carmel, Israel</td>
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<tr>
<td>Munich, Germany</td>
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<tr>
<td>Rio de Janeiro, Brazil</td>
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<tr>
<td>Niskayuna, USA</td>
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<tr>
<td>Oklahoma City, USA</td>
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<td>San Ramon, USA</td>
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We sell in 175 countries. In 2014, 22 countries each generated revenues of $1B+
Our aim is to grow this by 100–200 basis points over the next few years.

Our big focus is reducing product cost, built around the principles of “should cost”, in other words, what is the ideal cost with perfect execution. For the H Turbine, our goal is a 25% reduction from present levels. This requires automation, accelerating learning curves from our suppliers and new manufacturing tools. It will also result in the insourcing of critical components like precision castings.

We are still defining the competitive position for GE in the financial services industry, driven by our domain. We are a great competitor in the American heartland, where our customers value the access to GE industrial capability. But, we must stay focused on improving returns at GE Capital. GE Capital earned $7 billion in 2014, down about 12%. It returned a $3 billion dividend to the parent, a substantial decline from 2013. GE Capital is financially secure, and we continue to make GE Capital smaller and more connected to GE’s strengths. We have about $83 billion invested in Capital, but our returns are below GE’s cost of capital. Improving our capital efficiency depends on returning substantial dividends to GE, which is our goal over the next few years.

We will continue to allocate capital in a disciplined and balanced way. We will grow the dividend in line with earnings and consider this our highest investor priority. We will execute the Synchrony split, which is a capital efficient way to reduce our float, and should reduce our shares by 8%. We will invest $10–$15 billion each year in R&D, capital equipment and IT to grow the Company globally and reduce our cost. And, we will do limited M&A, as Alstom is our top priority.

We are on track for our financial pivot, but despite our work, total shareholder return declined 7%, trailing the S&P 500. We have made short-term tradeoffs to achieve long-term gains. For instance, we gave up 15% of Synchrony’s earnings through the IPO, but investors have yet to feel the benefit of the stock split. And, we invested $0.12 EPS to restructure the Company, which was a 5% drag on earnings and lowered returns in 2014. These moves will accelerate growth in 2015 and 2016.
Again, it is important that you see 2014–16 as a pivot. We expect to grow EPS each year. Industrial earnings should expand by more than 10% while Capital shrinks dramatically. We expect industrial earnings to be 75% of the total by 2016 and to return $50 billion to you in dividends and buyback. We will achieve higher margins and returns over this period. We are making GE a better company and are confident this will be reflected in the share price.

**Leading with Focus and Simplicity**

Improving and sustaining execution requires running the Company differently. We are in the midst of a culture change that is redefining the way we make decisions, work together, align with customers and hold ourselves accountable. We’re focusing on efficiency, speed and market impact—and calling this the “Culture of Simplification.” We already see that simplification is the catalyst for improvement in GE’s operating performance.

Simplification has achieved a leaner management structure. GE now has a slim structure that can leverage our scale. We run the Company with smaller headquarters, fewer processes and shared services.

We have put everything on the clock, launching a process called “FastWorks,” based on the entrepreneurial spirit of Silicon Valley. We are already seeing shorter product cycles, quicker IT implementation, and faster customer response than any of our competitors. There are hundreds of FastWorks projects underway. For example, FastWorks is accelerating GE’s development of solid oxide fuel cells, cutting our launch cycle by years.

We have made every employee’s purpose to win in the market. In Commercial Operations, where we turn projects into orders, our cycles have moved from months to weeks, or even days.

We have changed the incentive compensation plan for our senior leaders. The old plan was tied to results, but it wasn’t aligned tightly enough with shareholder value. Our new plan keeps everyone focused on the Company’s achievement of investor commitments, targeting the key financial and strategic metrics in their businesses that drive company success. Everyone in the Company is now aligned to win together and deliver for you.

As we continue to build the world’s premier infrastructure business, we will not lose touch with the values that brought us here. I have worked for GE for 32 years, and over that time, we have had a handful of important statements that define our behavior. There are five GE Beliefs. These are the principles we aspire to:

1. **Customers determine our success.**
   This is a statement of fact. Great teams win in the market.

2. **Stay lean to go fast.**
   Scarcity drives teamwork, will and accountability.

3. **Learn and adapt to win.**
   Good companies make mistakes quickly.

**WE WILL RETURN $50B TO INVESTORS IN 2014–16 THROUGH DIVIDENDS AND SHARE REPURCHASES.**
but they learn and adjust. And, winning has to be our goal.

4. Empower and inspire each other.
The days of centralized command are in the past. Our teams have the expertise to accept empowerment and drive results.

5. Deliver results in an uncertain world.
This is our commitment to you. GE Beliefs drive performance and shape careers.

As investors, you can see the big changes in portfolio or product launches. You can’t always see how we run the Company. The fact is, we think very differently about business leadership today.

It takes courage to lead in an era of volatility and uncertainty. In a company as broad as GE, we cannot time cycles or avoid them. Rather, we capitalize on cycles by investing when others can’t and persisting through periods of doubt. Resilience is a trait I respect; I expect it from GE leaders.

Leadership is about doing fewer things better. Great organizations have fewer layers, organizations, initiatives and processes. We have greatly reduced “headquarters” throughout GE. Management is more local and less central. In a fast-paced global environment, centralization doesn’t work. From far away, it is easy to see risks that don’t exist, and you miss the real dynamics. We will have more senior leaders in the markets; headquarters will drive outcomes and not meetings.

Leadership requires domain understanding. GE leaders will be deep first and broad second, and they will spend more time in a job. We are more willing today to hire leaders from outside the Company who bring unique knowledge. Our leaders must be tech-savvy. The digital wave is impacting GE, just like
GE SOFTWARE PREDIX™ TEAM

The GE Software team has developed Predix™, the operating system for the Industrial Internet, which is transforming the way GE creates outcomes for customers.

Standing (left to right): Jiaqi Wu, Matt Momot, Fermin Ordaz, Vineet Banga and Cliff Collins. Seated (left to right): Lauren Bridge, Michael Hart, Stella Yu, Srinagesh Nayudu and Dave Chen.
every other company. Professional “general management” is on the wane. We need deep and technical leaders who are broad enough to see around corners.

Leaders understand that mistakes are an essential part of getting things done. I have never made a mistake in my conference room; only the market determines success. Winning in the market requires experimentation. We are putting a premium on speed and competitiveness versus perfection. I support our leaders to use their judgment, not being a slave to process.

I, too, have become a different leader. To run GE, complacency is not an option; that is not my style anyway. But after 13 years, it is easy to develop blind spots.

I have surrounded myself with different people. At the staff level, the team has recently come to headquarters from the businesses so there is a different context for priorities and a sense of urgency.

One flaw I have seen in myself, and others, is confusing tailwind with good management. It is difficult to spot the best leaders when times are good. Some businesses are doing well, but should do better; some businesses do well when they merely outperform a tough market.

Personally, I have learned to be a better risk manager. The financial crisis was humbling but also a great teacher of lessons. Really bad things happen. I take no comfort in checklists or large presentations that look backward. I spend my time in areas that can drive forward-leaning impact like cybersecurity, product quality and liquidity.

I am both more informal and more open. I like our team, our customers and our investors. I learn a lot from them. I continue to push myself and the team. Inside GE, there is no task beneath me, even today. I am committed to deliver results in an uncertain world.

Today, GE is a different company—a company in motion; a company that is well-positioned to seize this moment, and lead as we always have. I am proud of the GE team. And I am more confident than ever that our best days lie ahead.

Jeffrey R. Immelt
Chairman of the Board and Chief Executive Officer
February 27, 2015
The GE Board held 14 meetings during 2014, including three meetings of the independent directors of the Board. Each outside Board member is expected to visit at least two GE businesses without the involvement of corporate management in order to develop his or her own feel for the Company.

Board members focus on the areas that are important to shareowners — strategy, risk management, leadership development, and regulatory and compliance matters. In 2014, they received briefings on a variety of issues, including capital allocation and business development with a focus on Alstom, risk management with a focus on GE Capital, business simplification, emerging markets growth, leadership development, technology excellence, IT and cybersecurity, strategy, advanced manufacturing, global research and development strategy, Industrial internet initiatives, and GE’s branding, marketing and operating initiatives. At the end of the year, the Board and each of its committees conducted a thorough self-evaluation.
SUSTAINABILITY AT GE

As a 130+ year-old technology company, GE works every day to solve some of the world’s biggest challenges. Safety and sustainability are embedded in GE’s culture and define the products we make, the services we offer and the difference we make in communities around the world.

www.gesustainability.com

IN 2014,

• GE employees, retirees and the GE Foundation contributed more than $168 million in grants, contributions and Matching Gifts to community organizations around the world, while also surpassing $1 billion in total Matching Gifts since inception of that program in 1954. GE Volunteers gave of their time by donating more than 1 million hours of volunteer work in 55 countries.

• GE remains committed to Ecomagination, with $15B in Ecomagination R&D since this innovative business initiative was launched in 2005.

• GE continued our 10-year improvement record in protecting worker safety with a 41% reduction in recordable injuries since 2004.

GE is consistently ranked as one of the world’s leading corporations:

FAST COMPANY
Most Innovative Companies

FORTUNE
World’s Most Admired Companies

BARRON’S
Most Respected Companies

AON HEWITT
Top Companies for Leaders

HAY GROUP
Best Companies for Leadership

WORKING MOTHER
Best Companies for Working Mothers

ETHISPHERE
World’s Most Ethical Companies

The paper used in this report was supplied by participants of the Responsible Initiative Programs. The majority of the power utilized to manufacture this paper was renewable energy, produced with GE’s wind and biogas technologies, and powered by GE steam engines and turbine engines.

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Thanks to the customers, partners and GE employees who appear in this annual report for contributing their time and support.

On the back cover: Natalie Lester, GE Power & Water