GENERAL ELECTRIC CO
Form 10-K
February 26, 2016

United States Securities and Exchange Commission
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2015
or

Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ___________to ___________

Commission file number 001-00035
General Electric Company
(Exact name of registrant as specified in charter)

New York		14-0689340
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
3135 Easton Turnpike, Fairfield, CT	06828-0001	203/373-2211
(Address of principal executive offices)	(Zip Code)	(Telephone No.)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value $0.06 per share	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer   Accelerated filer

Non-accelerated filer   Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes   No

The aggregate market value of the outstanding common equity of the registrant not held by affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was at least $265.6 billion. There were 9,330,607,330 shares of voting common stock with a par value of $0.06 outstanding at January 31, 2016.

DOCUMENTS INCORPORATED BY REFERENCE

The definitive proxy statement relating to the registrant's Annual Meeting of Shareowners, to be held April 27, 2016, is incorporated by reference into Part III to the extent described therein.

FORWARD LOOKING STATEMENTS

This document contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," or "target."
Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about our announced plan to reduce the size of our financial services businesses, including expected cash and non-cash charges associated with this plan and earnings per share of GE Capital's retained businesses (Verticals); expected income; earnings per share; revenues; organic growth; margins; cost structure; restructuring charges; cash flows; return on capital; capital expenditures, capital allocation or capital structure; dividends; and the split between Industrial and Capital earnings.

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

obtaining (or the timing of obtaining) any required regulatory reviews or approvals or any other consents or approvals associated with our announced plan to reduce the size of our financial services businesses;
our ability to complete incremental asset sales as part of that plan in a timely manner (or at all) and at the prices we have assumed;
our ability to reduce costs as we execute that plan;
changes in law, economic and financial conditions, including interest and exchange rate volatility, commodity and equity prices and the value of financial assets, including the impact of these conditions on our ability to sell or the value of incremental assets to be sold as part of our announced plan to reduce the size of our financial services businesses as well as other aspects of that plan;
the impact of conditions in the financial and credit markets on the availability and cost of GE Capital Global Holdings, LLC's (GE Capital) funding, and GE Capital's exposure to counterparties;
the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults;
pending and future mortgage loan repurchase claims and other litigation claims in connection with WMC, which may affect our estimates of liability, including possible loss estimates;
our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so;
the adequacy of our cash flows and earnings and other conditions which may affect our ability to pay our quarterly dividend at the planned level or to repurchase shares at planned levels;
GE Capital's ability to pay dividends to GE at the planned level, which may be affected by GE Capital's cash flows and earnings, financial services regulation and oversight, and other factors;
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;
customer actions or developments such as early aircraft retirements or reduced energy demand and other factors that may affect the level of demand and financial performance of the major industries and customers we serve;
the effectiveness of our risk management framework;
the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation and litigation;
our capital allocation plans, as such plans may change including with respect to the timing and size of share repurchases, acquisitions, joint ventures, dispositions and other strategic actions;
our success in completing, including obtaining regulatory approvals for, announced transactions, such as the Appliances disposition and our announced plan and transactions to reduce the size of our financial services businesses;
our success in integrating acquired businesses and operating joint ventures;

our ability to realize anticipated earnings and savings from announced transactions, acquired businesses and joint ventures;
the impact of potential information technology or data security breaches; and
the other factors that are described in the Risk Factors section of this Form 10-K report.

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.

ABOUT GENERAL ELECTRIC

OUR BUSINESS AND HOW WE TALK ABOUT IT

We are a global digital industrial company, transforming industry with software-defined machines and solutions that are connected, responsive and predictive. With products and services ranging from aircraft engines, power generation and oil and gas production equipment to medical imaging, financing and industrial products, we serve customers in approximately 180 countries and employ approximately 333,000 people worldwide. Since our incorporation in 1892, we have developed or acquired new technologies and services that have considerably broadened and changed the scope of our activities.

OUR INDUSTRIAL OPERATING SEGMENTS

Power	Energy Management	Transportation
Renewable Energy	Aviation	Appliances & Lighting
Oil & Gas	Healthcare	

OUR FINANCIAL SERVICES OPERATING SEGMENT

Capital

Business, operation and financial overviews for our operating segments are provided in the Segment Operations section within the Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) section.

THE GE CAPITAL EXIT PLAN

On April 10, 2015, the Company announced a plan (the GE Capital Exit Plan) to create a simple, more valuable company by reducing the size of its financial services businesses through the sale of most of the assets of GE Capital and aligning a smaller GE Capital with GE's industrial growth. We expect GE Capital to release approximately $35 billion in dividends to GE (subject to regulatory approval) as a result of the sale of GE Capital assets. As of December 31, 2015, we are ahead of our plan, having signed agreements with buyers for $157 billion of ending net investment (ENI), excluding liquidity of which $104 billion has closed. In addition, as part of our initiative to reduce the size of our financial services businesses, we completed the split-off of our remaining interest in GE Capital's North American Retail Finance business, Synchrony Financial, to holders of GE common stock, which resulted in a $20.4 billion buyback of GE common stock (671.4 million shares) in 2015. Combined with cash dividends of $4.3 billion, GE Capital returned about $25 billion to GE in 2015. In connection with the GE Capital Exit Plan, we completed a legal reorganization of GE Capital that included a merger of GE Capital into GE, a guarantee by GE of GE Capital debt, and an exchange of $36 billion of GE Capital debt for new GE notes. The result of all these actions reduced GE Capital's total assets by 38% from $501 billion at December 31, 2014 to $312 billion at December 31, 2015. We incurred charges of $22 billion related to these actions.

Given the progress of the GE Capital Exit Plan to date, we expect to largely complete that plan by the end of 2016 and are on track to file for rescission of GE Capital's designation as a nonbank Systemically Important Financial Institution (nonbank SIFI) in early 2016.

Further information on these activities is described in the GE Capital – GE Capital Exit Plan section of the MD&A and Note 1 to the consolidated financial statements.

COMPETITIVE CONDITIONS AND ENVIRONMENT

In all of our global business activities, we encounter aggressive and able competition. In many instances, the competitive climate is characterized by changing technology that requires continuing research and development. With respect to manufacturing operations, we believe that, in general, we are one of the leading firms in most of the major industries in which we participate. The businesses in which GE Capital engages are subject to competition from various types of financial institutions, including commercial banks, investment banks, leasing companies, independent finance companies, finance companies associated with manufacturers and insurance and reinsurance companies.

As a diverse global company, we are affected by world economies, instability in certain regions, commodity prices, such as the price of oil, and foreign currency volatility. Other factors impacting our business include:

- product development cycles for many of our products are long and product quality and efficiency are critical to success,
- research and development expenditures are important to our business and
- many of our products are subject to a number of regulatory standards.

These factors are discussed throughout MD&A.

OUR EMPLOYEES AND EMPLOYEE RELATIONS

At year-end 2015, General Electric Company and consolidated affiliates employed approximately 333,000 persons, of whom approximately 125,000 were employed in the United States. For further information about employees, see the Other Financial Data section within the MD&A.

Approximately 16,000 GE manufacturing and service employees in the United States are represented for collective bargaining purposes by one of 11 unions (approximately 82 different locals within such unions). A majority of such employees are represented by union locals that are affiliated with the IUE-CWA, The Industrial Division of the Communication Workers of America, AFL-CIO, CLC. In June 2015, we negotiated new four-year collective bargaining agreements with most of our U.S unions. These agreements continue to provide employees with good wages and benefits while addressing competitive realities facing the Company.

Other GE affiliates are parties to labor contracts with various labor unions, also with varying terms and expiration dates that cover approximately 3,300 employees.

PROPERTIES

Manufacturing operations are carried out at approximately 206 manufacturing plants located in 40 states in the United States and Puerto Rico and at approximately 295 manufacturing plants located in 39 other countries.

CORPORATE INFORMATION AND WEBSITES

General Electric's address is 1 River Road, Schenectady, NY, 12345-6999; we also maintain executive offices at 3135 Easton Turnpike, Fairfield, CT 06828-0001.

GE's Internet address at www.ge.com, Investor Relations website at www.ge.com/investor-relations and our corporate blog at www.gereports.com, as well as GE's Facebook page and Twitter accounts, including @GE_Reports, contain a significant amount of information about GE, including financial and other information for investors. GE encourages investors to visit these websites from time to time, as information is updated and new information is posted.

Website references in this report are provided as a convenience and do not constitute, and should not be viewed as, incorporation by reference of the information contained on, or available through, the websites. Therefore, such information should not be considered part of this report.

Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports are available, without charge, on our website, www.ge.com/investor-relations/investor-services/personal-investing/sec-filing, as soon as reasonably practicable after they are filed electronically with the U.S. Securities and Exchange Commission (SEC). Copies are also available, without charge, from GE Corporate Investor Communications, 3135 Easton Turnpike, Fairfield, CT 06828-0001.

Reports filed with the SEC may be viewed at www.sec.gov or obtained at the SEC Public Reference Room in Washington, D.C. Information about the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)

PRESENTATION

The consolidated financial statements of General Electric Company (the Company) combine the industrial manufacturing and services businesses of General Electric Company (GE) with the financial services businesses of General Electric Capital Corporation, and its successor GE Capital Global Holdings, LLC (GE Capital or Financial Services).

We believe that investors will gain a better understanding of our company if they understand how we measure and talk about our results. Because of the diversity in our businesses, we present our financial statements in a three-column format, which allows investors to see our industrial operations separately from our Financial Services operations. We believe that this provides useful information to investors. When used in this report, unless otherwise indicated by the context, we use the terms to mean the following:

General Electric or the Company – the parent company, General Electric Company.
GE – the adding together of all affiliates other than GE Capital, whose continuing operations are presented on a one-line basis, giving effect to the elimination of transactions among such affiliates. Transactions between GE and GE Capital have not been eliminated at the GE level. We present the results of GE in the center column of our consolidated statements of earnings, financial position and cash flows. An example of a GE metric is GE cash from operating activities (GE CFOA).
General Electric Capital Corporation or GECC – the adding together of all affiliates of GECC, giving effect to the elimination of transactions among such affiliates.
GE Capital Global Holdings, LLC or GECGH – the adding together of all affiliates of GECGH, giving effect to the elimination of transactions among such affiliates.
GE Capital or Financial Services – refers to GECC, or its successor GECGH, and is the adding together of all affiliates of GE Capital giving effect to the elimination of transactions among such affiliates. We present the results of GE Capital in the right-side column of our consolidated statements of earnings, financial position and cash flows.
GE consolidated – the adding together of GE and GE Capital, giving effect to the elimination of transactions between the two. We present the results of GE consolidated in the left-side column of our consolidated statements of earnings, financial position and cash flows.
Industrial – GE excluding the continuing operations of GE Capital. We believe that this provides investors with a view as to the results of our industrial businesses and corporate items. An example of an Industrial metric is Industrial CFOA, which is GE CFOA excluding the effects of dividends from GE Capital.
Industrial segment – the sum of our eight industrial reporting segments, without giving effect to the elimination of transactions among such segments. This provides investors with a view as to the results of our industrial segments, without inter-segment eliminations and corporate items. An example of an industrial segment metric is industrial segment revenue growth.
Total segment – the sum of our eight industrial segments and one financial services segment, without giving effect to the elimination of transactions among such segments. This provides investors with a view as to the results of all of our segments, without inter-segment eliminations and corporate items.
GE Capital Verticals or Verticals – the adding together of GE Capital businesses that we expect to retain, principally its vertical financing businesses—GE Capital Aviation Services (GECAS), Energy Financial Services (EFS) and Healthcare Equipment Finance—that relate to the Company's core industrial domain and other operations, including Working Capital Solutions, our run-off insurance activities, and allocated corporate costs.

Prior to January 28, 2011, we operated a media company, NBC Universal, Inc. (NBCU). Effective January 28, 2011, we held a 49% interest in a media entity that included the NBC Universal businesses (NBCU LLC). On March 19, 2013, we completed the sale of our remaining 49% common equity interest to Comcast Corporation.

We integrate acquisitions as quickly as possible. Revenues and earnings from the date we complete the acquisition through the end of the fourth quarter following the acquisition are considered the acquisition effect of such businesses.

Discussion of GE Capital's total assets includes deferred income tax liabilities, which are presented within assets for purposes of our consolidated statement of financial position presentations for this filing.

Amounts reported in billions in graphs within this report are computed based on the amounts in millions. As a result, the sum of the components reported in billions may not equal the total amount reported in billions due to rounding. Certain columns and rows within the tables may not add due to the use of rounded numbers. Percentages presented are calculated from the underlying numbers in millions.

Discussions throughout this MD&A are based on continuing operations unless otherwise noted.

The MD&A should be read in conjunction with the Financial Statements and Notes to the consolidated financial statements.

OTHER TERMS USED BY GE

Backlog – unfilled customer orders for products and product services (expected life of contract sales for product services).
Borrowings as a percentage of total capital invested – for GE, the sum of borrowings and mandatorily redeemable preferred stock, divided by the sum of borrowings, mandatorily redeemable preferred stock, redeemable noncontrolling interest, noncontrolling interests and total shareowners' equity.
Digital revenues – revenues related to software-enabled product upgrades, internally developed software (including Predix) and associated hardware, and software-enabled productivity solutions. These revenues are largely generated from our operating businesses and are included in their segment results.
Earnings – unless otherwise indicated, we refer to captions such as "earnings from continuing operations attributable to common shareowners" simply as earnings.
Earnings per share (EPS) – unless otherwise indicated, when we refer to earnings per share, it is the diluted per-share amount of "earnings from continuing operations attributable to common shareowners".
Ending Net Investment (ENI) – the total capital we have invested in the Financial Services business. It is the sum of short-term borrowings, long-term borrowings and equity (excluding noncontrolling interests) adjusted for unrealized gains and losses on investment securities and hedging instruments. Alternatively, it is the amount of assets of continuing operations less the amount of non-interest-bearing liabilities.
Equipment leased to others (ELTO) – rental equipment we own that is available to rent and is stated at cost less accumulated depreciation.
Free cash flow – GE's cash from operating activities (continuing operations) less GE additions to property, plant and equipment, plus GE dispositions of property, plant and equipment, which are included in cash flows from investing activities.
GE Capital Exit Plan – our plan, announced on April 10, 2015, to reduce the size of our financial services businesses through the sale of most of the assets of GE Capital, and to focus on continued investment and growth in our industrial businesses. Further information on the GE Capital Exit Plan is provided in the GE Capital – The GE Capital Exit Plan section within the MD&A and Note 1 to the consolidated financial statements.
Global Growth Organization (GGO) – organization that provides operational processes through a shared services structure for the enabling functions: commercial, enterprise data management, finance, HR, IT, legal, supply chain and tax through a partnership with the businesses and global functions.

Growth markets – consist of countries/regions which are expected to grow at above average world GDP rates over the long term and typically are resource rich and/or have large infrastructure needs. They encompass the following: Australasia; Canada; Latin America; Middle East, North Africa and Turkey; Russia and CIS; Sub-Saharan Africa; Greater China; South Asia; South East Asia (ASEAN).

Industrial operating profit margin – Industrial segment profit plus corporate items and eliminations (excluding gains, restructuring and pre-tax non-operating pension costs) divided by industrial segment revenues plus corporate items and eliminations (excluding gains and GE-GE Capital eliminations).
Industrial return on total capital (Industrial ROTC) – earnings from continuing operations attributable to GE common shareowners less GE Capital earnings from continuing operations plus GE after-tax interest, divided by average Industrial shareholders' equity, less average GE Capital's shareholders' equity, plus average debt and other, net.
Industrial segment gross margin – industrial segment sales less industrial segment cost of sales.
Industrial shareholders' equity and GE Capital shareholders' equity – for purposes of the Industrial ROTC calculation excludes the effects of discontinued operations and is calculated on an annual basis using a five-point average.
Non-operating pension costs – comprise the expected return on plan assets, interest cost on benefit obligations and net actuarial gain (loss) amortization for our principal pension plans.
Operating earnings – GE earnings from continuing operations attributable to common shareowners excluding the impact of non-operating pension costs.
Operating earnings per share – unless otherwise indicated, when we refer to operating earnings per share, it is the diluted per-share amount of "operating earnings".
Operating pension costs – comprise the service cost of benefits earned, prior service cost amortization and curtailment loss for our principal pension plans.
Organic revenues – revenues excluding the effects of acquisitions, dispositions and foreign currency exchange.
Product services – for purposes of the financial statement display of sales and costs of sales in our Statement of Earnings, "goods" is required by SEC regulations to include all sales of tangible products, and "services" must include all other sales, including other services activities. In our MD&A section of this report, we refer to sales under product services agreements and sales of both goods (such as spare parts and equipment upgrades) and related services (such as monitoring, maintenance and repairs) as sales of "product services," which is an important part of our operations. We refer to "product services" simply as "services" within the MD&A.
Product services agreements – contractual commitments, with multiple-year terms, to provide specified services for products in our Power, Renewable Energy, Oil & Gas, Aviation and Transportation installed base – for example, monitoring, maintenance, service and spare parts for a gas turbine/generator set installed in a customer's power plant.
Revenues – unless otherwise indicated, we refer to captions such as "revenues and other income" simply as revenues.
Segment profit – refers to the operating profit of the industrial segments and the net earnings of the Financial Services segment. See the Segment Operations section within the MD&A for a description of the basis for segment profits.
Shared Services – sharing of business processes in order to standardize and consolidate services to provide value to the businesses in the form of simplified processes, reduced overall costs and increased service performance.

NON-GAAP FINANCIAL MEASURES

In the accompanying analysis of financial information, we sometimes use information derived from consolidated financial data but not presented in our financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under the SEC rules. Specifically, we have referred, in various sections of this report, to:

- Industrial segment organic revenue growth
- Oil & Gas organic revenue and operating profit growth
- Operating and non-operating pension costs (income)
- Adjusted Corporate costs (operating)
- GE pre-tax earnings from continuing operations, excluding GE Capital earnings from continuing operations and the corresponding effective tax rates, and the reconciliation of the U.S. federal statutory income tax rate to GE effective tax rate, excluding GE Capital earnings
- Operating earnings, operating EPS and Industrial operating earnings
- Industrial operating + Verticals earnings and EPS
- Industrial operating profit and operating margin (excluding Alstom)
- Industrial segment operating profit and operating margin (excluding Alstom)
- Industrial segment gross margin (excluding Alstom)
- Average GE shareowners' equity, excluding effects of discontinued operations
- Average GE Capital shareowners' equity, excluding effects of discontinued operations
- Industrial return on total capital (Industrial ROTC)
- Industrial cash flows from operating activities (Industrial CFOA)
- Free cash flow
- Ratio of adjusted debt to equity at GE Capital, net of liquidity
- Capital ending net investment (ENI), excluding liquidity
- GE Capital Tier 1 common ratio estimate

The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures are included in the Supplemental Information section within the MD&A. Non-GAAP financial measures referred to in this report are designated with an asterisk (*).

KEY PERFORMANCE INDICATORS
(Dollars in billions; per-share amounts in dollars)

REVENUES PERFORMANCE

INDUSTRIAL ORDERS

(a) Includes $2.5 billion related to Alstom.

Equipment

Services

INDUSTRIAL BACKLOG

Equipment

(a) Includes $29.2 billion related to Alstom.

Services

INDUSTRIAL SEGMENT PROFIT

(a) Includes $(0.2) billion related to Alstom.

INDUSTRIAL SEGMENT MARGIN

(a) Includes (0.5)% related to Alstom.

GE CFOA

GE Capital Dividend

(a) Includes $(0.3) billion related to Alstom.

Industrial CFOA*

EARNINGS PER SHARE

OPERATING EPS*

INDUSTRIAL OPERATING+ VERTICALS EPS*

*Non-GAAP Financial Measure

KEY PERFORMANCE INDICATORS
(Dollars in billions; per-share amounts in dollars)

SHAREHOLDER INFORMATION

RETURNED $33 BILLION TO SHAREOWNERS IN 2015	ANNUAL MEETING
Dividends $9.3 billion Stock buyback $3.3 billion Synchrony Financial exchange $20.4 billion	General Electric's 2016 Annual Meeting of Shareowners will be held on April 27, 2016, in Jacksonville, Florida.

FIVE-YEAR PERFORMANCE GRAPH
The annual changes for the five-year period shown in the graph on this page are based on the assumption that $100 had been invested in General Electric common stock, the Standard & Poor's 500 Stock Index (S&P 500) and the Dow Jones Industrial Average (DJIA) on December 31, 2010, and that all quarterly dividends were reinvested. The cumulative dollar returns shown on the graph represent the value that such investments would have had on December 31 for each year indicated.
STOCK PRICE RANGE AND DIVIDENDS

With respect to "Market Information," in the United States, General Electric common stock is listed on the New York Stock Exchange (its principal market). General Electric common stock is also listed on the London Stock Exchange and the Frankfurt Stock Exchange. The chart above shows trading prices, as reported on the New York Stock Exchange, Inc., Composite Transactions Tape.

As of January 31, 2016, there were approximately 458,000 shareowner accounts of record.

On February 12, 2016, our Board of Directors approved a quarterly dividend of $0.23 per share of common stock, which is payable April 25, 2016, to shareowners of record at close of business on February 29, 2016.

CONSOLIDATED RESULTS

(Dollars in billions)

2015 GEOGRAPHIC REVENUES 2015 SEGMENT REVENUES

SIGNIFICANT DEVELOPMENTS IN 2015

Our consolidated results were significantly affected by the stronger U.S. dollar compared with various foreign currencies as described in our segment operating results and geographic information.

On April 10, 2015, we announced our plan to reduce the size of the financial services businesses through the sale of most of its assets over the following 24 months. See the GE Capital Exit Plan section within the MD&A for additional information.

On November 17, 2015, we completed the split-off of Synchrony Financial through which the Company accepted 671,366,809 shares of GE common stock from its shareholders in exchange for 705,270,833 shares of Synchrony Financial common stock that it owned and recorded an after-tax gain of $3.4 billion in discontinued operations.

On November 2, 2015, we completed the acquisition of Alstom's Thermal, Renewables and Grid businesses. The completion of the transaction followed the regulatory approval of the deal in over 20 countries and regions including the EU, U.S., China, India, Japan and Brazil. The purchase price was €9.2 billion (approximately $10.1 billion). The acquisition and alliances with Alstom affected our Power, Renewable Energy, and Energy Management segments.

On November 2, 2015, we also completed the sale of our Signaling business to Alstom with proceeds of $0.8 billion and a pre-tax gain of $0.6 billion.

On December 7, 2015, we announced that we had terminated our agreement to sell our Appliances business to Electrolux.

On January 15, 2016, we announced the signing of a definitive agreement to sell our Appliances business to Qingdao Haier Co., Ltd. (Haier) for $5.4 billion. The transaction has been approved by our board of directors and Haier's board of directors and remains subject to customary closing conditions, including Haier shareholder approval, and regulatory approvals. The transaction is targeted to close in mid-2016.

CONSOLIDATED RESULTS

(Dollars in billions)

REVENUES	INDUSTRIAL AND FINANCIAL SERVICES REVENUES
(a) Includes $2.0 billion related to Alstom	(a) Includes $2.0 billion related to Alstom

COMMENTARY: 2015 – 2014	2014 – 2013
Consolidated revenues increased $0.2 billion. Industrial segment revenues decreased less than 1%, reflecting negative foreign currency impacts and the effects of dispositions, partially offset by organic growth of 3% and the effects of acquisitions (primarily Alstom). Financial Services revenues decreased $0.5 billion, or 5%, primarily as a result of organic revenue declines, primarily resulting from lower ending net investment (ENI), lower gains and higher impairments, partially offset by the effects of acquisitions and dispositions. Other income increased $1.4 billion, primarily due to the gain on sale of our Signaling business of $0.6 billion, NBCU settlement of $0.5 billion, and $0.2 billion break-up fee from Electrolux. The effects of acquisitions increased consolidated revenues $2.5 billion and $1.7 billion in 2015 and 2014, respectively. Dispositions affected our ongoing results through increased revenues of $0.4 billion in 2015 and lower revenues of $3.6 in 2014. The effects of a stronger U.S. dollar compared to mainly the euro, Brazilian real, and Canadian dollar, decreased consolidated revenues by $4.9 billion.	Consolidated revenues increased $3.9 billion, or 3%. Industrial segment revenues increased 6%, reflecting organic growth* of 7% and the effects of acquisitions (primarily Lufkin Industries, Inc. (Lufkin), Avio S.p.A. (Avio) and certain Thermo Fisher Scientific Inc. businesses). Financial Services revenues increased

$0.1 billion as a result of organic revenue growth and higher gains, partially offset by the effects of dispositions.

Other income decreased $2.3 billion, primarily due to the sale of our remaining 49% common equity interest in NBCU LLC in 2013 ($1.6 billion).

The effects of acquisitions increased consolidated revenues $1.7 billion and $1.5 billion in 2014 and 2013, respectively. Dispositions affected our ongoing results through lower revenues of $3.6 billion and $0.1 in 2014 and 2013, respectively.

The effects of a stronger

U.S. dollar compared to mainly the Japanese yen, Canadian dollar and Brazilian real, partially offset by the British pound, decreased consolidated revenues by $0.6 billion.

*Non-GAAP Financial Measure

CONSOLIDATED RESULTS

(Dollars in billions)

EARNINGS

OPERATING EARNINGS*

COMMENTARY: 2015 – 2014

Consolidated earnings decreased $7.9 billion or 83%, primarily due to lower Financial Services income.

Industrial segment profit increased 1% with growth driven by Aviation, Appliances & Lighting, Transportation, Energy Management, and Power, partially offset by lower performance for Oil & Gas, Renewable Energy and Healthcare.

Industrial segment margin increased 30 basis points (bps) driven by higher productivity, pricing and impacts of material deflation, partially offset by effects of Alstom results. Excluding Alstom, Industrial segment margins increased 80 bps.* to 17.0%.

Financial Services net earnings decreased $9.2 billion, primarily due to charges associated with the GE Capital Exit Plan. See the GE Capital and Capital segment sections for more details.

The effects of acquisitions on our consolidated net earnings were insignificant in 2015 and a $0.2 billion increase in 2014. The effects of dispositions on net earnings were an increase of $0.9 billion in 2015 and a decrease of $1.6 billion in 2014.

Industrial SG&A as a percentage of total sales remained flat at 14% as a result of global cost reduction initiatives, primarily at Oil & Gas, Healthcare and Corporate. This was partially offset by lower revenues and higher acquisition-related costs.

2014 – 2013

Consolidated earnings increased $1.9 billion or 25%, primarily due to an increase in the operating profit of the industrial segments, partially offset by lower Financial Services income and the absence of the NBCU LLC related income.

Industrial segment profit increased 10% with growth driven by Aviation, Oil & Gas, and Renewable Energy.

Industrial segment margin increased 50 basis points (bps) driven by higher productivity and pricing, partially offset by negative business mix and the effects of inflation.

Financial Services net earnings increased $0.8 billion as a result of core increases, equipment leased to others (ELTO) impairments related to our operating lease portfolio of commercial aircraft, and higher gains, partially offset by the effects of dispositions.

The effects of acquisitions on our consolidated net earnings were increases of $0.2 billion and $0.1 billion in 2014 and 2013, respectively. The effects of dispositions on net earnings were a decrease of $1.6 billion in 2014 and an increase of $0.1 billion in 2013.

Industrial SG&A as a percentage of total sales decreased to 14% as a result of global cost reduction initiatives, primarily at Power and Healthcare. This was partially offset by higher acquisition-related costs.

See the Other Consolidated Information section within the MD&A for a discussion of postretirement benefit plans costs, income taxes and geographic data.

*Non-GAAP Financial Measure

GE CAPITAL

CAPITAL SEGMENT AND DISCONTINUED OPERATIONS

GE Capital results include continuing operations, which are reported in the Capital segment (see Segment discussion), and discontinued operations (see Discontinued Operations section and Note 2).

THE GE CAPITAL EXIT PLAN

SALES AGREEMENTS

During 2015, GE signed agreements to sell approximately $157 billion of ENI, excluding liquidity (as originally reported at December 31, 2014), of which approximately $98 billion, $34 billion and $25 billion related to our Commercial Lending and Leasing (CLL), Real Estate and Consumer businesses, respectively.

Of the signed agreements, sales representing approximately $104 billion of ENI, excluding liquidity (as originally reported at December 31, 2014) have closed, including approximately $46 billion, $34 billion and $24 billion related to our CLL, Real Estate and Consumer businesses, respectively. Real Estate transactions that have closed included the majority of GE Capital's Real Estate debt and equity portfolio sold to funds managed by The Blackstone Group (which, in turn, sold a portion of this portfolio to Wells Fargo & Company). In connection with The Blackstone Group transactions, GE Capital provided $3.2 billion of seller financing to The Blackstone Group, which GE Capital intends to syndicate by the end of 2016. As of December 31, 2015, GE Capital has collected or sold approximately $2.3 billion of this seller financing.

AFTER-TAX CHARGES RELATED TO THE GE CAPITAL EXIT PLAN

In connection with the April 10, 2015 announcement of the GE Capital Exit Plan, the Company estimated that it would incur approximately $23 billion in after-tax charges through 2016, approximately $6 billion of which were expected to result in future net cash expenditures. These charges relate to: business dispositions, including goodwill allocations (approximately $13 billion), tax expense related to expected repatriation of foreign earnings and write-off of deferred tax assets (approximately $7 billion), and restructuring and other charges (approximately $3 billion).

During 2015, GE recorded $22.0 billion of after-tax charges related to the GE Capital Exit Plan, of which $7.7 billion was recorded in continuing operations and $14.3 billion was recorded in discontinued operations. A description of after-tax charges for 2015 is provided below.

$9.5 billion of net loss primarily related to the completed and planned dispositions of the Real Estate business, the Consumer business and most of the CLL business, which was recorded in discontinued operations under the caption "Earnings (loss) from discontinued operations, net of taxes" in the Statement of Earnings.
$6.5 billion of tax expense related to expected repatriation of foreign earnings and write-off of deferred tax assets, of which $6.3 billion was recorded in continuing operations and reported in GE Capital's Corporate component and $0.1 billion was recorded in discontinued operations in our Consumer business under the caption "Earnings (loss) from discontinued operations, net of taxes" in the Statement of Earnings.
$4.7 billion of net asset impairments due to shortened hold periods, of which $3.2 billion was recorded in discontinued operations in our Consumer business and $1.5 billion was recorded in discontinued operations in our CLL business, all under the caption "Earnings (loss) from discontinued operations, net of taxes" in the Statement of Earnings.
$0.8 billion impairment charge of a coal-fired power plant in the U.S. related to a decision in the fourth quarter to exit the investment over time recorded in continuing operations in GE Capital's Corporate component under the caption "Other costs and expenses" in the Statement of Earnings.

$0.6 billion of restructuring and other charges, of which $0.5 billion was recorded in continuing operations in GE Capital's Corporate component under the captions "Selling, general and administrative expenses" and "Other costs and expenses" in the Statement of Earnings and less than $0.1 billion was recorded in discontinued operations under the caption "Earnings (loss) from discontinued operations, net of taxes" in the Statement of Earnings.

REORGANIZATION AND EXCHANGE OFFERS

During December 2015, General Electric Capital Corporation merged into GE. The merger and creation of a new intermediate holding company was part of a reorganization of GE Capital's businesses (the Reorganization) pursuant to which GE separated GE Capital's international and U.S. operations. GE Capital's international operations have been consolidated under a new international holding company (GE Capital International Holdings Limited), which has a separate capital structure and is supervised by the U.K. Prudential Regulation Authority. The Reorganization, debt exchange offers (as described below) and establishment of GE Capital International Holdings Limited were intended, among other things, to establish an efficient and simplified capital structure that is satisfactory to GE Capital's regulators, a key step in terminating the nonbank SIFI designation for GE Capital. In addition, the debt exchange offers were designed to align the liabilities of GE Capital International Holdings Limited to its assets from a maturity profile and liquidity standpoint, taking into consideration asset sales, and where appropriate, shortening the maturity profile of targeted liabilities.

As part of the GE Capital Exit Plan, on September 21, 2015, GE Capital commenced private offers to exchange (the Exchange Offers) up to $30 billion of certain outstanding debt for new notes with maturities of six months, five years, ten years or twenty years. On October 19, 2015, given the high level of participation, the offering was increased by $6 billion with the aggregate principal amount of $36 billion (representing $31 billion of outstanding principal and $5 billion of premium) of outstanding notes being tendered for exchange and settled on October 26, 2015. The new notes that were issued at closing are composed of $15.3 billion of 0.964% Six Month Notes due April 2016, £0.8 billion of 1.363% Six Month Notes due April 2016, $6.1 billion of 2.342% Notes due 2020, $2.0 billion of 3.373% Notes due 2025 and $11.5 billion of 4.418% Notes due 2035. Of the $16.2 billion exchanged into the Six Month Notes, $1.3 billion had been previously classified in short term borrowings. GE Capital will continue to evaluate the opportunity to repurchase debt while maintaining our liquidity at the levels communicated as part of the GE Capital Exit Plan. The new notes have been fully, irrevocably and unconditionally guaranteed by GE.

Immediately prior to the Reorganization, GE Capital had $5.0 billion in aggregate liquidation preference of Series A, B and C preferred stock outstanding. In connection with the Reorganization, on December 3, 2015, holders who previously held GE Capital preferred stock were issued an aggregate liquidation preference of $5.9 billion of new GE Series A, B and C preferred stock. The Series A, B and C preferred stock bear an initial fixed interest rate of 4.00%, 4.10% and 4.20%, respectively, through their initial call date and are callable on June 15, 2022, December 15, 2022 and June 15, 2023, respectively. Subsequent to the call date, the Series A, B and C preferred stock will bear a floating interest rate equal to three-month LIBOR plus 2.28%, 2.32% and 2.37%, respectively, thereafter.

Subsequent to the issuance of the preferred stock on December 3, 2015, in response to investor feedback, GE launched an exchange offer on December 18, 2015 that allowed GE preferred stock investors to exchange their existing Series A, B and C preferred stock into a Series D GE preferred stock. These Series D instruments bear an initial fixed interest rate of 5.00% through January 21, 2021, will bear a floating rate equal to three-month LIBOR plus 3.33% thereafter and are callable on January 21, 2021. On January 20, 2016, $2.7 billion of Series A, $2.0 billion of Series B and $1.0 billion of Series C were exchanged into $5.7 billion Series D GE preferred stock. Following the exchange, $0.1 billion of Series A, $0.1 billion of Series B and $0.1 billion of Series C remain outstanding.

GUARANTEE

As part of the GE Capital Exit Plan, on April 10, 2015, GE and GE Capital entered into an amendment to their existing financial support agreement. Under this amendment (the Amendment), the Company has provided a full and unconditional guarantee (the Guarantee) of the payment of principal and interest on all tradable senior and subordinated outstanding long-term debt securities and all commercial paper issued or guaranteed by GE Capital identified in the Amendment. In the aggregate, the Guarantee applied to approximately $85.8 billion of GE Capital debt as of December 31, 2015. The Guarantee replaced the requirement that the Company make certain income maintenance payments to GE Capital in certain circumstances. GE Capital's U.S. public indentures were concurrently amended to provide the full and unconditional guarantee by the Company set forth in the Guarantee.

SYNCHRONY FINANCIAL EXCHANGE OFFER

On August 5, 2014, we completed the initial public offering (IPO) of our North American Retail Finance business, Synchrony Financial, as a first step in a planned, staged exit from that business. We received net proceeds from the IPO and underwriter's option of $2.8 billion and retained 84.6% of Synchrony Financial.

On October 19, 2015, GE commenced an offer to exchange GE common stock for common stock of GE Capital's approximately 84.6% owned subsidiary, Synchrony Financial. On November 17, 2015, we completed the split-off of Synchrony Financial, through which the Company accepted 671,366,809 shares of GE common stock from its shareholders in exchange for 705,270,833 shares of Synchrony Financial common stock that it owned and recorded an after-tax gain of $3.4 billion within discontinued operations. In connection with the public offering and sale of Synchrony Financial, GE Capital indemnified Synchrony Financial and its directors, officers, and employees against the liabilities of GECC's businesses other than historical liabilities of the businesses that are part of Synchrony Financial's ongoing operations. With the completion of the split-off and the Federal Reserve Board's (FRB) subsequent approval of GE Capital's application to deregister as a savings and loan holding company, GE Capital is no longer a savings and loan holding company.

SEGMENT OPERATIONS

SEGMENT CHANGES

The Power segment (formerly Power & Water) was affected through the splitting out of the Renewable Energy business, principally the onshore wind business.
A new segment named Renewable Energy was created that includes GE's legacy onshore wind business and the wind and hydro businesses acquired from Alstom.
Energy Management was affected through the formation of a joint venture with Alstom.
Additionally, a portion of the Distributed Power business that provides turbines for oil & gas applications was realigned from the Power segment to the Oil & Gas segment.
Transportation sold its Signaling business to Alstom.
The remaining segments, Healthcare, Aviation, and Appliances & Lighting were not affected by any significant segment changes in 2015.
The financial services segment, previously referred to as GE Capital, is now called Capital. GE Capital now refers to GECC or its successor, GECGH.

REVENUES AND PROFIT

Segment revenues include revenues and other income related to the segment.

Segment profit is determined based on internal performance measures used by the Chief Executive Officer (CEO) to assess the performance of each business in a given period. In connection with that assessment, the CEO may exclude matters such as charges for restructuring; rationalization and other similar expenses; acquisition costs and other related charges; technology and product development costs; certain gains and losses from acquisitions or dispositions; and litigation settlements or other charges, for which responsibility preceded the current management team.

Segment profit excludes results reported as discontinued operations and material accounting changes. Segment profit also excludes the portion of earnings or loss attributable to noncontrolling interests of consolidated subsidiaries, and as such only includes the portion of earnings or loss attributable to our share of the consolidated earnings or loss of consolidated subsidiaries.

Segment profit excludes or includes interest and other financial charges and income taxes according to how a particular segment's management is measured:

Interest and other financial charges, income taxes and GE preferred stock dividends are excluded in determining segment profit (which we sometimes refer to as "operating profit") for the industrial segments.
Interest and other financial charges, income taxes and GE Capital preferred stock dividends are included in determining segment profit (which we sometimes refer to as "net earnings") for the Capital segment.

Certain corporate costs, such as shared services, employee benefits and information technology are allocated to our segments based on usage. A portion of the remaining corporate costs is allocated based on each segment's relative net cost of operations.

ALSTOM - ACQUISITION IMPACTING MULTIPLE SEGMENTS

On November 2, 2015, we completed the acquisition of Alstom's Thermal, Renewables and Grid businesses. The completion of the transaction followed the regulatory approval of the deal in over 20 countries and regions including the EU, U.S., China, India, Japan and Brazil. The purchase price was €9.2 billion (approximately $10.1 billion). The acquisition and alliances with Alstom affected our Power, Renewable Energy and Energy Management segments. See Note 8 to the consolidated financial statements for further information.

For the two months that GE owned Alstom in 2015, the entity contributed $(0.2) billion of operating profit to the industrial segments and $(0.2) billion of operating profit at Corporate, resulting in an overall pre-tax loss of $(0.4) billion. Offsetting the pre-tax loss was $0.4 billion of increased tax benefits principally related to the integration of our existing services business with Alstom's services business.

(Dollars in billions)

INDUSTRIAL SEGMENT EQUIPMENT & SERVICES REVENUES	INDUSTRIAL SELLING, GENERAL & ADMINISTRATIVE (SG&A) AS A % OF SALES
Equipment(a)	
Services(b)	
(a) In 2015, $59.8 billion, excluding $1.1 billion related to Alstom (b) In 2015, $47.1 billion, excluding $0.8 billion related to Alstom	(a) 13.9% excluding $2.0 billion of Alstom sales and $0.4 billion of Alstom SG&A

SUMMARY OF OPERATING SEGMENTS

	General Electric Company and consolidated affiliates				
(In millions)	2015	2014	2013	2012	2011
Revenues					
Power	$21,490	$20,580	$19,315	$20,364	$20,335
Renewable Energy	6,273	6,399	4,824	7,373	4,924
Oil & Gas	16,450	19,085	17,341	15,539	13,874
Energy Management	7,600	7,319	7,569	7,412	6,422
Aviation	24,660	23,990	21,911	19,994	18,859
Healthcare	17,639	18,299	18,200	18,290	18,083
Transportation	5,933	5,650	5,885	5,608	4,885
Appliances & Lighting	8,751	8,404	8,338	7,967	7,692
Total industrial segment revenues	108,796	109,727	103,383	102,548	95,074
Capital	10,801	11,320	11,267	11,268	11,843
Total segment revenues	119,597	121,047	114,650	113,816	106,918
Corporate items and eliminations	(2,211)	(3,863)	(1,405)	(1,228)	3,145
Consolidated revenues	$117,386	$117,184	$113,245	$112,588	$110,062
Segment profit					
Power	$4,502	$4,486	$4,328	$4,368	$4,213

Renewable Energy	431	694	485	914	714
Oil & Gas	2,427	2,758	2,357	2,064	1,754
Energy Management	270	246	110	131	78
Aviation	5,507	4,973	4,345	3,747	3,512
Healthcare	2,882	3,047	3,048	2,920	2,803
Transportation	1,273	1,130	1,166	1,031	757
Appliances & Lighting	674	431	381	311	237
Total industrial segment profit	17,966	17,764	16,220	15,487	14,067
Capital	(7,983)	1,209	401	1,245	1,469
Total segment profit	9,983	18,973	16,621	16,731	15,536
Corporate items and eliminations	(5,108)	(6,225)	(6,002)	(4,719)	(1,317)
GE interest and other financial charges	(1,706)	(1,579)	(1,333)	(1,353)	(1,299)
GE provision for income taxes	(1,506)	(1,634)	(1,667)	(2,013)	(4,839)
Earnings from continuing operations attributable to GE common shareowners	1,663	9,535	7,618	8,646	8,081
Earnings (loss) from discontinued operations, net of taxes	(7,495)	5,855	5,475	5,047	5,143
Less net earnings (loss) attributable to noncontrolling interests, discontinued operations	312	157	36	53	104
Earnings (loss) from discontinued operations, net of tax and noncontrolling interest	(7,807)	5,698	5,439	4,995	5,039
Consolidated net earnings (loss) attributable to GE common shareowners	$(6,145)	$15,233	$13,057	$13,641	$13,120

POWER

BUSINESS OVERVIEW

Leader: Steve Bolze	Headquarters & Operations
Senior Vice President, GE and President & CEO, GE Power Over 20 years of service with General Electric	18% of segment revenues in 2015 20% of industrial segment revenues 25% of industrial segment profit Headquarters: Schenectady, NY Serving customers in 150+ countries Employees: approximately 62,000

Products & Services

Power serves power generation, industrial, government and other customers worldwide with products and services related to energy production and water reuse. Our products and technologies harness resources such as oil, gas, coal, diesel, nuclear and water to produce electric power and include gas and steam turbines, full balance of plant, upgrade and service solutions, as well as data-leveraging software.

Gas Power Systems – offers a wide spectrum of heavy-duty and aeroderivative gas turbines for utilities, independent power producers and industrial application, from small, mobile power to utility scale power plants.

Steam Power Systems – offers steam power technology for coal and nuclear applications including boilers, generators, steam turbines, and Air Quality Control Systems (AQCS) to help efficiently produce power and provide performance over the life of a power plant.

Power Services – delivers maintenance, service and upgrade solutions across total plant assets and over their operational lifecycle, leveraging the Industrial Internet to improve the performance of such solutions.

Distributed Power – provides technology-based products and services to generate reliable and efficient power at or near the point of use. The product portfolio features highly efficient, fuel flexible industrial gas engines, including Jenbacher and Waukesha engines, which generate power for numerous industries globally.

Water & Process Technologies – provides comprehensive chemical and equipment solutions and services to help manage and optimize water resources across numerous industries and municipalities, including water treatment, wastewater treatment and process system solutions.

GE Hitachi Nuclear – offers advanced reactor technologies solutions, including reactors, fuels and support services for boiling water reactors, and is offered through joint ventures with Hitachi and Toshiba, for safety, reliability and performance for nuclear fleets.

Competition & Regulation

Worldwide competition for power generation products and services is intense. Demand for power generation is global and, as a result, is sensitive to the economic and political environments of each country in which we do business.

OPERATIONAL OVERVIEW
(Dollars in billions)

2015 GEOGRAPHIC REVENUES: $ 21.5 BILLION

ORDERS

(a) Includes $1.0 billion related to Alstom

Equipment
Services

2015 SUB-SEGMENT REVENUES

(a) Includes Water & Process Technologies and GE Hitachi Nuclear

BACKLOG

Equipment

(a) Includes $15.5 billion related to Alstom

Services

EQUIPMENT/SERVICES REVENUES

Services Equipment

UNIT SALES

SIGNIFICANT TRENDS & DEVELOPMENTS

The business completed its acquisition of Alstom's thermal businesses on November 2, 2015. Alstom's Thermal business is complementary in technology, operations and geography to our business. We expect the integration to yield efficiencies in supply chain, service infrastructure, new product development and SG&A costs.

The Wind business was transferred to a new segment, Renewable Energy.

The business continues to invest in new product development, such as our new H-Turbine, reciprocating engines and advanced upgrades, to expand our equipment and services offerings.

Excess capacity in developed markets, continued pressure in oil and gas applications and macroeconomic and geopolitical environments result in uncertainty for the industry and business.

The Distributed Power business that provides turbines for oil and gas applications was realigned from the Power segment to the Oil & Gas segment.

FINANCIAL OVERVIEW
(Dollars in billions)

SEGMENT REVENUES		SEGMENT PROFIT	SEGMENT PROFIT MARGIN
(a) $20.6 billion, excluding $0.9 billion related to Alstom*	Equipment	(a) $4.6 billion, excluding $(0.1) billion related to Alstom*	(a) 22.3%, excluding (1.4)% related to Alstom*
	Services		

SEGMENT REVENUES & PROFIT WALK:
2015 – 2014

	Revenues	Profit
2014	$ 20.6	$4.5
Volume	0.8	0.2
Price	0.1	0.1
Foreign Exchange	(0.8)	(0.1)
(Inflation)/Deflation	N/A	0.2
Mix	N/A	0.1
Productivity	N/A	(0.4)
Other	-	-
Alstom	0.9	(0.1)
2015	$ 21.5	$ 4.5

COMMENTARY:
2015 – 2014

Segment revenues up $0.9 billion (4%);
Segment profit was flat as a result of:

The increase in revenues was mainly driven by higher volume, primarily at Power Services, as well as the effects of the Alstom acquisition, partially offset by the impact of a stronger U.S. dollar.
Profit was flat as higher volume, the effects of deflation, higher prices, and favorable business mix were offset by lower productivity, including an increase in SG&A cost, the impact of a stronger U.S. dollar, and the effects of the Alstom acquisition.

2014 – 2013

	Revenues	Profit
2013	$ 19.3	$ 4.3
Volume	1.7	0.4
Price	(0.2)	(0.2)
Foreign Exchange	(0.1)	-
(Inflation)/Deflation	N/A	0.1
Mix	N/A	(0.2)
Productivity	N/A	0.3
Other	(0.2)	(0.1)
2014	$ 20.6	$4.5

2014 – 2013

Segment revenues up $1.3 billion (7%);
Segment profit up $0.2 billion (4%) as a result of:

The increase in revenues was driven by higher volume, primarily higher equipment sales at Gas Power Systems, partially offset by lower prices and the impact of a stronger U.S. dollar.
The increase in profit was mainly due to the higher volume at Gas Power Systems, and higher productivity reflecting a reduction in SG&A cost, partially offset by negative business mix, driven by higher gas turbine shipments, and lower prices.

*Non-GAAP Financial Measure

RENEWABLE ENERGY

BUSINESS OVERVIEW

Leader: Jérôme Pécresse	Headquarters & Operations
President & CEO, GE Renewable Energy Former Alstom Renewable Power Executive Vice President	5% of segment revenues in 2015 6% of industrial segment revenues 2% of industrial segment profit Headquarters: Paris, France Serving customers in 40+ countries Employees: approximately 11,000

Products & Services

GE Renewable Energy makes renewable power sources affordable, accessible, and reliable for the benefit of people everywhere. With one of the broadest technology portfolios in the industry, Renewable Energy creates value for customers with solutions from onshore and offshore wind, hydro, and emerging low carbon technologies. With operations in 40+ countries around the world, Renewable Energy can deliver solutions to where its customers need them most.

Onshore Wind – provides technology and services for the onshore wind power industry by providing wind turbine platforms and hardware and software to optimize wind resources. Wind services help customers improve availability and value of their assets over the lifetime of the fleet. Digital Wind Farm is a site level solution, creating a dynamic, connected and adaptable ecosystem that improves our customers' fleet operations.

Offshore Wind – offers its high-yield offshore wind turbine, Haliade 150-6MW, which is compatible with bottom fixed and floating foundations. It uses the innovative pure torque design and the Advanced High Density direct-drive Permanent Magnet Generator. Wind services support customers over the lifetime of their fleet.

Hydro – provides full range of solutions, products and services to serve the hydropower industry from initial design to final commissioning, from Low Head / Medium / High Head hydropower plants to pumped storage hydropower plants, small hydropower plants, concentrated solar power plants, geothermal power plants and biomass power plants.

Competition & Regulation

Renewable energy is now mainstream, able to compete with conventional options on an unsubsidized basis in many locations today. New innovations such as the digitization of renewable energy will continue to drive down costs. Worldwide competition for power generation products and services is intense. Demand for power generation is global and, as a result, is sensitive to the economic and political environments of each country in which we do business. Our Wind business is subject to certain global policies and regulation including the U.S. Production Tax Credit and incentive structures in China and various European countries. Changes in such policies may create unknown impacts or opportunities for the business.

OPERATIONAL OVERVIEW
(Dollars in billions)

2015 GEOGRAPHIC REVENUES: $ 6.3 BILLION

ORDERS

(a) Includes $0.5 billion related to Alstom

Equipment

Services

2015 SUB-SEGMENT REVENUES

(a) Alstom business acquired in November 2015

BACKLOG

Equipment

(a) Includes $5.3 billion related to Alstom

Services

EQUIPMENT/SERVICES REVENUES

Services Equipment

UNIT SALES

SIGNIFICANT TRENDS & DEVELOPMENTS

Renewable energy has experienced a surge of development in the last decade. Renewable energy capacity additions account for approximately half of all power plant additions worldwide.
We expanded our Renewable Energy portfolio with the recent acquisition of Alstom's Renewables business, which brought offshore wind, hydro, and emerging renewable technologies to the portfolio.
In our Onshore Wind business we continue to lead in digital innovation. The digital solutions we offer allow our customers to increase revenue and reduce cost and risk. We are expanding our digital capability into the newly acquired Alstom Offshore Wind and Hydro businesses.
Excess capacity in developed markets and macroeconomic and geopolitical environments result in uncertainty for the industry and business.
The Digital Wind Farm combines the new 2 and 3 MW wind turbine platforms with Predix software and diagnostics. Together, this hardware and software technology delivers up to 20% more annual energy production at the farm level over GE's previous machines.

FINANCIAL OVERVIEW
(Dollars in billions)

SEGMENT REVENUES		SEGMENT PROFIT	SEGMENT PROFIT MARGIN
(a) $6.2 billion, excluding $0.1 billion related to Alstom*	Equipment	(a) $0.5 billion, excluding $(0.1) billion related to Alstom*	(a) 8.1%, excluding (1.2)% related to Alstom*
	Services		

SEGMENT REVENUES & PROFIT WALK:

2015 – 2014

	Revenues	Profit
2014	$ 6.4	$0.7
Volume	0.3	-
Price	0.1	0.1
Foreign Exchange	(0.6)	-
(Inflation)/Deflation	N/A	(0.1)
Mix	N/A	(0.1)
Productivity	N/A	(0.1)
Other	0.1	0.1
Alstom	0.1	(0.1)
2015	$ 6.3	$ 0.4

COMMENTARY:

2015 – 2014

Segment revenues down $0.1 billion (2%);
Segment profit down $0.3 billion (38%) as a result of:

The decrease in revenues was primarily driven by the effects of a stronger U.S. dollar, partially offset by higher volume, driven by the sale of 2 MW onshore units, higher prices, the effects of the Alstom acquisition and other income.

The decrease in profit was due to lower productivity, primarily driven by a shift to new products and technology, the effects of inflation, the effects of the Alstom acquisition and negative business mix, partially offset by higher prices and other income.

2014 – 2013

	Revenues	Profit
2013	$ 4.8	$ 0.5
Volume	2.0	0.2
Price	(0.2)	(0.2)
Foreign Exchange	(0.1)	-
(Inflation)/Deflation	N/A	-
Mix	N/A	-
Productivity	N/A	0.3
Other	-	-
2014	$ 6.4	$0.7

2014 – 2013

Segment revenues up $1.6 billion (33%);
Segment profit up $0.2 billion (43%) as a result of:

The increase in revenues was driven by higher volume, partially offset by lower prices and the impact of a stronger U.S. dollar.

The increase in profit was mainly due to higher cost productivity and higher volume, partially offset by lower prices.

*Non-GAAP Financial Measure

OIL & GAS

BUSINESS OVERVIEW

Leader: Lorenzo Simonelli	Headquarters & Operations
Senior Vice President, GE and President & CEO, GE Oil & Gas 21 years of service with General Electric	14% of segment revenues in 2015 15% of industrial segment revenues 14% of industrial segment profit Headquarters: London, UK Serving customers in 140+ countries Employees: approximately 39,000

Products & Services

Oil & Gas serves all segments of the oil and gas industry, from drilling, completion, production and oil field operations, to transportation via liquefied natural gas (LNG) and pipelines. In addition, Oil & Gas provides industrial power generation and compression solutions to the refining and petrochemicals segments. Oil & Gas also delivers pipeline integrity solutions and a wide range of sensing, inspection and monitoring technologies. Oil & Gas exploits technological innovation from other GE segments, such as Aviation and Healthcare, to continuously improve oil and gas industry performance, output and productivity.

Turbomachinery Solutions (TMS) – provides equipment and related services for mechanical-drive, compression and power-generation applications across the oil and gas industry. Our designs deliver high capacities and efficiencies, increase product flow and decrease both operational and environmental risks in the most extreme conditions, pressures and temperatures. Our portfolio includes drivers (aero-derivative gas turbines, heavy-duty gas turbines and synchronous and induction electric motors), compressors (centrifugal and axial, direct drive high speed, integrated, subsea compressors and turbo expanders), and turn-key solutions (industrial modules and waste heat recovery).
Subsea Systems & Drilling (SS&D) – provides a broad portfolio of subsea products and services required to facilitate the safe and reliable flow of hydrocarbons from the subsea wellhead to the surface. In addition, the sub-segment designs and manufactures onshore and offshore drilling and production systems and equipment for floating production

platforms and provides a full range of services related to onshore and offshore drilling activities.
Measurement & Controls (M&C) – provides equipment and services for a wide range of industries, including oil & gas, power generation, aerospace, metals, and transportation. The offerings include sensor-based measurement; non-destructive testing and inspection; turbine, generator and plant controls and condition monitoring, as well as pipeline integrity solutions.
Surface – provides products and services for onshore oil & gas wells and manufactures artificial lift equipment for extracting crude oil and other fluids from wells. Specific products include downhole tools for well integrity, dry trees and surface wellheads, electric submersible pumps, surface wellheads, wireline logging, artificial lift technologies, drilling pressure control equipment.
Downstream Technology Solutions (DTS) – provides products and services to serve the downstream segments of the industry including refining, petrochemical, distributed gas, flow and process control and other industrial applications. Products include steam turbines, reciprocating and centrifugal compressors, pumps, valves, and compressed natural gas (CNG) and small-scale LNG solutions used primarily for shale oil and gas field development.

Competition & Regulation

Demand for oil and gas equipment and services is global and, as a result, is sensitive to the economic and political environment of each country in which we do business. We are subject to the regulatory bodies of the countries in which we operate. Our products are subject to regulation by U.S. and non-U.S. energy policies.

OPERATIONAL OVERVIEW
(Dollars in billions)

2015 GEOGRAPHIC REVENUES: $ 16.5 BILLION

ORDERS

Equipment

Services

2015 SUB-SEGMENT REVENUES

BACKLOG

Equipment

Services

EQUIPMENT/SERVICES REVENUES

Services Equipment

SIGNIFICANT TRENDS & DEVELOPMENTS

Lower oil prices leading to reductions in customers' forecasted capital expenditures create industry challenges, the effects of which are uncertain.
We are impacted by volatility in foreign currency exchange rates mainly due to a high concentration of non-U.S. dollar denominated business as well as long-term contracts denominated in multiple currencies.
In November 2015, we completed the acquisition of Advantec group for $0.1 billion. The group, mainly based in Norway, provides subsea intervention equipment and services to the oil and gas industry.
The Distributed Power business that provides turbines for oil and gas applications was realigned from the Power segment to the Oil & Gas segment.
In June 2014, we acquired Cameron's Reciprocating Compression division for $0.6 billion. The division provides reciprocating compression equipment and aftermarket services for oil and gas production, gas processing, gas distribution and independent power industries.
In July 2013, we completed the acquisition of Lufkin, a leading provider of artificial lift technologies for the oil and gas industry and a manufacturer of gears, for $3.3 billion. Results for Lufkin are included in the Surface sub-segment.

FINANCIAL OVERVIEW
(Dollars in billions)

SEGMENT REVENUES SEGMENT PROFIT SEGMENT PROFIT MARGIN

Equipment

Services

SEGMENT REVENUES & PROFIT WALK:
2015 – 2014

	Revenues	Profit
2014	$ 19.1	$ 2.8
Volume	(1.0)	(0.1)
Price	-	-
Foreign Exchange	(1.6)	(0.3)
(Inflation)/Deflation	N/A	0.1
Mix	N/A	-
Productivity	N/A	0.1
Other	-	-
2015	$ 16.5	$ 2.4

COMMENTARY:
2015 – 2014

Segment revenues down $2.6 billion (14%);
Segment profit down $0.3 billion (12%) as a result of:

The decrease in revenues was primarily due to the impact of a stronger U.S. dollar and lower volume at Surface and SS&D, driven by lower oil prices. Organic revenues* were down 5% compared with prior year.

The decrease in profit was primarily due to the impact of a stronger U.S. dollar and lower volume at Surface and SS&D, driven by lower oil prices, partially offset by the effects of deflation and cost productivity. Organic profit* increased 1% compared with prior year.

2014 – 2013

	Revenues	Profit
2013	$ 17.3	$ 2.4
Volume	1.7	0.2
Price	0.1	0.1
Foreign Exchange	(0.1)	-
(Inflation)/Deflation	N/A	-
Mix	N/A	(0.2)
Productivity	N/A	0.3
Other	-	-
2014	$ 19.1	$ 2.8

2014 – 2013

Segment revenues up $1.7 billion (10%);
Segment profit up $0.4 billion (17%) as a result of:

The increase in revenues was primarily due to higher volume, mainly driven by higher equipment sales at Surface, SS&D and TMS, as well as the $0.3 billion net impact of acquisitions, primarily Lufkin, and dispositions, primarily Wayne. These increases were partially offset by the impact of a stronger U.S. dollar.

The increase in profit was primarily due to higher productivity, higher volume and higher prices. These increases were partially offset by negative business mix.

*Non-GAAP Financial Measure

ENERGY MANAGEMENT

BUSINESS OVERVIEW

Leader: Russell Stokes	Headquarters & Operations
Senior Vice President, GE and President & CEO, GE Energy Management 19 years of service with General Electric	6% of segment revenues in 2015 7% of industrial segment revenues 2% of industrial segment profit Headquarters: Atlanta, GA Serving customers in 150+ countries Employees: approximately 45,000

Products & Services

GE Energy Management designs and deploys industry-leading technologies that transport, convert, automate and optimize energy to ensure safe, efficient and reliable electrical power. Combining all the resources and scale of the world's digital industrial company, we connect brilliant machines, grids, and systems to power utility, oil & gas, marine, mining and renewables customers, that keep our world running. Beginning in 2016, this segment will be referred to as Energy Connections.

Industrial Solutions – creates advanced technologies that safely, reliably and efficiently distribute and control electricity to protect people, property and equipment. We provide high performance software and control solutions and offer products such as circuit breakers, relays, arresters, switchgear, panel boards and repair for the commercial, data center, healthcare, mining, renewables, oil & gas, water and telecommunication markets.

Grid Solutions – a GE and Alstom joint venture, equips 90% of power utilities worldwide to bring power from the point of generation to end consumers. With over 200 years combined experience in providing advanced energy solutions, our products and services enable more resilient, efficient and reliable power systems. Our products and services, such as high voltage equipment, power electronics, automation and protection equipment, software solutions, in addition to our robust projects and services capabilities modernize the grid. We serve industries such as generation, transmission, distribution, oil & gas, telecommunication, mining and water and our strategic partnership ventures, primarily in Mexico and China, allow us to support our customers through various product and service offerings.

Power Conversion – applies the science and systems of power conversion to help drive the electric transformation of the world's energy infrastructure. Our product portfolio includes motors, generators, automation and control equipment and drives for energy intensive industries such as marine, oil & gas, renewable energy, mining, rail, metals, test systems and water.

Competition & Regulation

Energy Management faces competition from businesses operating with global presence and with deep energy domain expertise. Our products and services sold to end customers are often subject to a number of regulatory specification and performance standards under different federal, state, foreign and energy industry standards.

OPERATIONAL OVERVIEW
(Dollars in billions)

2015 GEOGRAPHIC REVENUES: $ 7.6 BILLION

ORDERS

(a) Includes $1.1 billion related to Alstom

Equipment

Services

2015 SUB-SEGMENT REVENUES

BACKLOG

(a) Includes $8.4 billion related to Alstom

Equipment

Services

EQUIPMENT/SERVICES REVENUES

Services Equipment

SIGNIFICANT TRENDS & DEVELOPMENTS

On November 2, 2015, we completed the acquisition of Alstom's Grid business as part of the overall Alstom transaction. Our former Digital Energy business was combined with Alstom's Grid business to form Grid Solutions, a GE and Alstom joint venture.
The Intelligent Platforms Embedded Systems Products business of Industrial Solutions was sold in December 2015 for approximately $0.5 billion and the Electricity Meters business of Grid Solutions was sold in December 2015 for approximately $0.2 billion.
We are seeing growth in renewable energy industries, specifically wind & solar industries, which is driving demand in our Power Conversion business for equipment and services. This growth is offset by the decline in the oil & gas industry.
We see soft demand in the North American electrical distribution market, slow economic recovery in Europe, and continued soft demand in other parts of the developed world.
The U.S. electrical grid capacity is high and load growth is expected to be slow in the near term; spending by utilities in the U.S. continues to be focused more heavily on sustaining operations versus capital investment.

FINANCIAL OVERVIEW
(Dollars in billions)

SEGMENT REVENUES

SEGMENT PROFIT

SEGMENT PROFIT MARGIN

(a) $6.6 billion, excluding $1.0 billion related to Alstom*

Equipment

(a) $0.3 billion, excluding an insignificant amount related to Alstom*

(a) 4.1%, excluding (0.5)% related to Alstom*

Services

SEGMENT REVENUES & PROFIT WALK:
2015 – 2014

	Revenues	Profit
2014	$ 7.3	$ 0.2
Volume	(0.1)	-
Price	-	-
Foreign Exchange	(0.5)	(0.1)
(Inflation)/Deflation	N/A	-
Mix	N/A	-
Productivity	N/A	0.1
Other	-	-
Alstom	1.0	-
2015	$ 7.6	$ 0.3

COMMENTARY:
2015 – 2014

Segment revenues up $0.3 billion (4%); Segment profit up (10%) as a result of:

The increase in revenues was primarily due to higher sales at Grid Solutions, driven by the effects of the Alstom acquisition, and a gain on the sale of a meters business, partially offset by the impact of a stronger U.S. dollar and lower volume at Industrial Solutions.

The increase in profit was primarily due to higher productivity, including a reduction in

SG&A, partially offset by the impact of a stronger U.S. dollar.

2014 – 2013

	Revenues	Profit
2013	$ 7.6	$ 0.1
Volume	(0.2)	-
Price	-	-
Foreign Exchange	-	-
(Inflation)/Deflation	N/A	-
Mix	N/A	-
Productivity	N/A	0.1
Other	-	-
2014	$ 7.3	$ 0.2

2014 – 2013

Segment revenues down $0.3 billion (3%);
Segment profit up $0.1 billion as a result of:

The decrease in revenues was primarily due to lower volume from weakness in North American utility and electrical distribution markets, partially offset by higher sales in Power Conversion.

The increase in profit was primarily due to higher productivity reflecting a reduction in SG&A cost.

*Non-GAAP Financial Measure

AVIATION

BUSINESS OVERVIEW

Leader: David Joyce	Headquarters & Operations
Senior Vice President, GE and President & CEO, GE Aviation Over 30 years of service with General Electric	21% of segment revenues in 2015 23% of industrial segment revenues 31% of industrial segment profit Headquarters: Cincinnati, OH Serving customers in 120+ countries Employees: approximately 45,000

Products & Services

Aviation designs and produces commercial and military aircraft engines, integrated digital components, electric power and mechanical aircraft systems. We also provide aftermarket services to support our products.

Commercial Engines – manufactures jet engines and turboprops for commercial airframes. Our commercial engines power aircraft in all categories; regional, narrowbody and widebody. We also manufacture engines and components for Business and General Aviation segments.
Commercial Services – provides maintenance, component repair and overhaul services (MRO), including sales of replacement parts.
Military – manufactures jet engines for military airframes. Our military engines power a wide variety of military aircraft including fighters, bombers, tankers, helicopters and surveillance aircraft, as well as marine applications. We provide maintenance, component repair and overhaul services (MRO), including sales of replacement parts.
Systems – provides components, systems and services for commercial and military segments. This includes avionics systems, aviation electric power systems, flight efficiency and intelligent operation services, aircraft structures and Avio Aero.

We also produce and market engines through CFM International, a company jointly owned by GE and Snecma, a subsidiary of SAFRAN of France, and Engine Alliance, LLC, a company jointly owned by GE and the Pratt & Whitney division of United Technologies Corporation. New engines are also being designed and marketed in a joint venture with Honda Aero, Inc., a division of Honda Motor Co., Ltd.

Competition & Regulation

The global businesses for aircraft jet engines, maintenance component repair and overhaul services (including parts sales) are highly competitive. Both U.S. and non-U.S. markets are important to the growth and success of the business. Product development cycles are long and product quality and efficiency are critical to success. Research and development expenditures are important in this business, as are focused intellectual property strategies and protection of key aircraft engine design, manufacture, repair and product upgrade technologies. Aircraft engine orders and systems tend to follow civil air travel and demand and military procurement cycles.

Our product, services and activities are subject to a number of regulators such as by the U.S. Federal Aviation Administration (FAA), European Aviation Safety Agency (EASA) and other regulatory bodies.

OPERATIONAL OVERVIEW
(Dollars in billions)

2015 GEOGRAPHIC REVENUES: $ 24.7 BILLION

ORDERS

Equipment

Services

2015 SUB-SEGMENT REVENUES

BACKLOG

Equipment

Services

EQUIPMENT/SERVICES REVENUES

Services Equipment

UNIT SALES

(a)GEnx engines are a subset of commercial engines

(b)Commercial spares shipment rate in millions of dollars per day

SIGNIFICANT TRENDS & DEVELOPMENTS

Our digital industrial business is providing insights and operational value for our customers, unlocking opportunities to deliver more productivity beyond our traditional services and becoming a better partner as we work on solving our customers' toughest operational problems. Digital design tools, additive manufacturing, advanced automated machining, and advanced inspection, are all enabling our operations, partners and suppliers to dramatically reduce cycle time while improving quality.

The installed base continues to grow with new product launches. In 2016, through our CFM joint venture, we expect to launch the LEAP engine for application on the Airbus A320 NEO and the Boeing 737 MAX aircraft. In addition, we are continuing development of the GE9X engine incorporating the latest technologies for application in the widebody aircraft space.

We expect military shipments to be lower due to continued pressure on the U.S. military budget but continue to work on next generation science and technology programs related to engine propulsion.

The reduction in fuel costs is expected to result in increased airline profitability and continued growth in passenger traffic and freight.

FINANCIAL OVERVIEW
(Dollars in billions)

SEGMENT REVENUES	SEGMENT PROFIT	SEGMENT PROFIT MARGIN

Equipment

Services

SEGMENT REVENUES & PROFIT WALK: COMMENTARY:

2015 – 2014

	Revenues	Profit
2014	$ 24.0	$ 5.0
Volume	0.1	-
Price	0.5	0.5
Foreign Exchange	-	-
(Inflation)/Deflation	N/A	(0.2)
Mix	N/A	0.2
Productivity	N/A	0.1
Other	-	(0.1)
2015	$ 24.7	$ 5.5

2015 – 2014

Segment revenues up $0.7 billion (3%);
Segment profit up $0.5 billion (11%) as a result of:

The increase in revenues was due to higher prices in Commercial Engines and higher services volume, partially offset by decreased equipment sales.

The increase in profit was mainly due to higher prices, favorable business mix and higher cost productivity, partially offset by the effects of inflation and lower other income.

2014 – 2013

	Revenues	Profit
2013	$ 21.9	$ 4.3
Volume	1.2	0.2
Price	0.8	0.8
Foreign Exchange	-	-
(Inflation)/Deflation	N/A	(0.3)
Mix	N/A	(0.2)
Productivity	N/A	-
Other	0.1	0.1
2014	$ 24.0	$ 5.0

2014 – 2013

Segment revenues up $2.1 billion (9%);
Segment profit up $0.6 billion (14%) as a result of:

The increase in revenues was due to higher volume and higher prices driven by Commercial Engines volume, spare parts volume and the third-quarter 2013 acquisition of Avio.

The increase in profit was mainly due to higher prices in our Commercial Engines and Commercial Services businesses and higher volume discussed above. These increases were partially offset by effects of inflation and negative business mix.

HEALTHCARE

BUSINESS OVERVIEW

Leader: John L. Flannery	Headquarters & Operations
Senior Vice President, GE and President & CEO, GE Healthcare Over 25 years of service with General Electric	15% of segment revenues in 2015 16% of industrial segment revenues 16% of industrial segment profit Headquarters: Chicago, IL Serving customers in 130+ countries Employees: approximately 52,000

Products & Services

Healthcare provides essential healthcare technologies to developed and emerging markets and has expertise in medical imaging, software and information technology (IT), patient monitoring and diagnostics, drug discovery, biopharmaceutical manufacturing technologies and performance improvement solutions. Products and services are sold worldwide primarily to hospitals, medical facilities, pharmaceutical and biotechnology companies, and to the life science research market.

Healthcare Systems – provides a wide range of technologies and services that include diagnostic imaging and clinical systems. Diagnostic imaging systems such as X-ray, digital mammography, computed tomography (CT), magnetic resonance (MR), surgical and interventional imaging and molecular imaging technologies allow clinicians to see inside the human body more clearly. Clinical systems such as ultrasound, electrocardiography (ECG), bone densitometry, patient monitoring, incubators and infant warmers, respiratory care, and anesthesia management that enable clinicians to provide better care for patients every day - from wellness screening to advanced diagnostics to life-saving treatment. Healthcare systems also offers product services that include remote diagnostic and repair services for medical equipment manufactured by GE and by others.

Life Sciences – delivers products and services for drug discovery, biopharmaceutical manufacturing and cellular technologies, so scientists and specialists discover new ways to predict, diagnose and treat disease. It also researches, manufactures and markets innovative imaging agents used during medical scanning procedures to highlight organs, tissue and functions inside the human body, to aid physicians in the early detection, diagnosis and management of disease through advanced in-vivo diagnostics.

Healthcare IT – provides IT solutions including enterprise and departmental Information Technology products, Picture Archiving System (PACS), Radiology Information System (RIS), Cardiovascular Information System (CVIS), revenue cycle management and practice applications, to help customers streamline healthcare costs and improve the quality of care.

Competition & Regulation

Healthcare competes with a variety of U.S. and non-U.S. manufacturers and services providers. Customers require products and services that allow them to provide better access to healthcare, improve the affordability of care, and improve the quality of patient outcomes. Technology innovation to provide products that improve these customer requirements and competitive pricing are among the key factors affecting competition for these products and services. New technologies could make our products and services obsolete unless we continue to develop new and improved products and services.

Our products are subject to regulation by numerous government agencies, including the U.S. Food and Drug Administration (U.S. FDA), as well as various laws and regulations that apply to claims submitted under Medicare, Medicaid or other government funded healthcare programs.

OPERATIONAL OVERVIEW
(Dollars in billions)

2015 GEOGRAPHIC REVENUES: $ 17.6 BILLION

ORDERS

Equipment

Services

2015 SUB-SEGMENT REVENUES

BACKLOG

Equipment

Services

EQUIPMENT/SERVICES REVENUES

Services Equipment

SIGNIFICANT TRENDS & DEVELOPMENTS

We continue to lead in technology innovation with greater focus on productivity based technology, services, and IT/cloud-based solutions as healthcare providers seek greater productivity and efficiency.
The U.S. market is improving but uncertainty remains regarding the impact of the Affordable Care Act. Emerging markets are expected to grow long-term with short-term volatility.
Life Sciences is expanding its business through bioprocess market growth and enterprise solutions.
Clarient, one of our Life Science businesses, was sold on December 30, 2015.

FINANCIAL OVERVIEW
(Dollars in billions)

SEGMENT REVENUES SEGMENT PROFIT SEGMENT PROFIT MARGIN

Equipment

Services

SEGMENT REVENUES & PROFIT WALK:
2015 – 2014

	Revenues	Profit
2014	$ 18.3	$ 3.0
Volume	0.8	0.1
Price	(0.3)	(0.3)
Foreign Exchange	(1.1)	(0.1)
(Inflation)/Deflation	NA	(0.2)
Mix	NA	-
Productivity	N/A	0.3
Other	(0.1)	-
2015	$ 17.6	$ 2.9

COMMENTARY:
2015 – 2014

Segment revenues down $0.7 billion (4%);
Segment profit down $0.2 (5%) as a result of:

The decrease in revenues was primarily due to the effects of a stronger U.S. dollar, as well as lower prices, mainly at Healthcare Systems, partially offset by higher volume in Life Sciences and Healthcare Systems.

The decrease in profit was primarily due to lower prices, mainly in Healthcare Systems, the effects of inflation and the impact of a stronger U.S. dollar, partially offset by higher productivity, as increased R&D and related costs were more than offset by higher cost productivity, and higher volume.

2014 – 2013

	Revenues	Profit
2013	$ 18.2	$ 3.0
Volume	0.6	0.1
Price	(0.3)	(0.3)
Foreign Exchange	(0.2)	(0.1)
(Inflation)/Deflation	N/A	(0.2)
Mix	N/A	-
Productivity	N/A	0.5
Other	-	-
2014	$ 18.3	$ 3.0

2014 – 2013

Segment revenues up $0.1 billion (1%);
Segment profit flat as a result of:

The increase in revenues was due to higher volume, driven by the higher sales in Life Sciences. This increase was partially offset by lower prices mainly at Healthcare Systems and the effects of a stronger U.S. dollar.

Profit was flat as higher productivity, driven by SG&A cost reductions, and higher volume, were offset by lower prices, mainly at Healthcare Systems, inflation and effects of a stronger U.S. dollar.

TRANSPORTATION

BUSINESS OVERVIEW

Leader: Jamie S. Miller

Senior Vice President, GE and President & CEO, GE Transportation
7 years of service with General Electric

Headquarters & Operations

5% of segment revenues in 2015
5% of industrial segment revenues
7% of industrial segment profit
Headquarters: Chicago, IL
Serving customers in 60+ countries
Employees: approximately 12,000

Products & Services

Transportation is a global technology leader and supplier to the railroad, mining, marine, stationary power and drilling industries. Products and services offered by Transportation include:

Locomotives – we provide freight and passenger locomotives as well as rail services to help solve rail challenges. We manufacture high-horsepower, diesel-electric locomotives including the Evolution Series ™, which meets or exceeds the U.S. Environmental Protection Agency's (EPA) Tier 4 requirements for freight and passenger applications.

Services – we develop partnerships that support advisory services, parts, integrated software solutions and data analytics. Our comprehensive offerings include tailored service programs, high-quality parts for GE and other locomotive platforms, overhaul, repair and upgrade services, and wreck repair. Our portfolio provides the people, partnerships and leading software to optimize operations and asset utilization.

Digital Solutions – we offer a suite of software-enabled solutions to help our customers lower operational costs, increase productivity and improve service quality and reliability.

Mining – we provide mining equipment and services. The portfolio includes drive systems for off-highway vehicles, mining equipment, mining power and productivity.

Marine, Stationary & Drilling – we offer marine diesel engines and stationary power diesel engines and motors for land and offshore drilling rigs.

Competition & Regulation

The competitive environment for locomotives and mining equipment and services consists of large global competitors. A number of smaller competitors compete in a limited-size product range and geographic regions. North America will remain a focus of the industry, due to the EPA Tier 4 emissions standard that went into effect in 2015.

OPERATIONAL OVERVIEW
(Dollars in billions)

2015 GEOGRAPHIC REVENUES: $ 5.9 BILLION

ORDERS

Equipment

Services

2015 SUB-SEGMENT REVENUES

(a) Includes Digital Solutions, Marine, Stationary & Drilling

BACKLOG

Equipment

Services

EQUIPMENT/SERVICES REVENUES

Services Equipment

UNIT SALES

SIGNIFICANT TRENDS & DEVELOPMENTS

- Rail carload volumes, especially in North America, continue to decline and the number of parked locomotives increased throughout 2015.
- Demand for natural resources remains low, driving a decline in the overall mining industry.
- The Signaling business was sold to Alstom on November 2, 2015 for approximately $0.8 billion.
- In 2015, we launched the new Tier 4 locomotive. A total of 756 Tier 4 compliant locomotives were shipped in 2015.

FINANCIAL OVERVIEW
(Dollars in billions)

SEGMENT REVENUES SEGMENT PROFIT SEGMENT PROFIT MARGIN

Equipment

Services

SEGMENT REVENUES & PROFIT WALK:
2015 – 2014

	Revenues	Profit
2014	$ 5.7	$ 1.1
Volume	0.3	0.1
Price	-	-
Foreign Exchange	-	-
(Inflation)/Deflation	N/A	-
Mix	N/A	(0.2)
Productivity	N/A	0.2
Other	-	-
2015	$ 5.9	$ 1.3

COMMENTARY:
2015 – 2014

Segment revenues up $0.3 billion (5%);
Segment profit up $0.1 (13%) as a result of:

The increase in revenues was primarily due to higher volume driven by Tier 4 locomotive sales, partially offset by the Signaling disposition.
The increase in profit was primarily due to higher productivity, including a reduction in SG&A cost, and higher volume driven by Tier 4 locomotive sales, partially offset by negative business mix.

2014 – 2013

	Revenues	Profit
2013	$ 5.9	$ 1.2
Volume	(0.2)	-
Price	-	-
Foreign Exchange	-	-
(Inflation)/Deflation	N/A	-
Mix	N/A	-
Productivity	N/A	-
Other	-	-
2014	$ 5.7	$ 1.1

2014 – 2013

Segment revenues down $0.2 billion (4%);
Segment profit down 3% as a result of:

The decrease in revenues was due to lower volume, primarily in Mining reflecting weakness in the industry, partially offset by an increase in volume in the locomotive services business.
The decrease in profit was due to lower volume, primarily in Mining as discussed above, was partially offset by deflation and cost productivity.

APPLIANCES & LIGHTING

BUSINESS OVERVIEW

Leaders: Chip Blankenship & Maryrose Sylvester

President & CEO, Appliances
Over 20 years of service with General Electric

President & CEO, Lighting
Over 25 years of service with General Electric

Headquarters & Operations

7% of segment revenues in 2015
8% of industrial segment revenues
4% of industrial segment profit
Appliances HQ: Louisville, KY
Lighting HQ: East Cleveland, OH
Serving customers in 100+ countries
Employees: approximately 24,000

Products & Services

Appliances & Lighting products, such as major appliances and a subset of lighting products, are primarily directed to consumer applications, while other lighting products are directed towards commercial and industrial applications. We also invest in the development of differentiated, premium products such as energy efficient solutions for both consumers and businesses.

Appliances – sells and services major home appliances including refrigerators, freezers, electric and gas ranges, cooktops, dishwashers, clothes washers and dryers, microwave ovens, room air conditioners, residential water systems for filtration, softening and heating and hybrid water heaters. Our brands include Monogram®, GE Café™, GE Profile™, GE®, GE Artistry™, and Hotpoint®. We also manufacture certain products and source finished product and component parts from third-party global manufacturers. A large portion of appliances sales is through a variety of retail outlets for replacement of installed units. Residential building contractors installing units in new construction is the second major U.S. channel. We offer one of the largest original equipment manufacturer (OEM) service organizations in the appliances industry, providing in-home repair and aftermarket parts.

Lighting – manufactures, sources and sells a variety of energy-efficient solutions for commercial, industrial, municipal and consumer applications across the globe, utilizing light-emitting diode (LED), fluorescent, halogen and high-intensity discharge (HID) technologies. In addition to growing our LED breadth, the business is focused on building lighting connected by state-of-the-art software that will unleash a whole new potential for how we light our world. The business sells products under the reveal® and Energy Smart® consumer brands, and Evolve™, GTx™, Immersion™, Infusion™, Lumination,™ Albeo,™ TriGain™ and Tetra® commercial brands. GE Lighting offers a full range solutions and services to outfit entire properties with lighting, from ceilings, parking lots, signage, displays, roadways, sports arenas and other areas.

Competition & Regulation

Cost control, including productivity, is key in the highly competitive marketplace in which Appliances & Lighting competes. GE Lighting operates in a complex, global marketplace. Energy regulations impacting traditional lighting technologies are moving demand to energy-saving products that last longer and cost less to operate over time. Evolving these technologies, as well as cost control, is key in the global arena in which the business operates.

OPERATIONAL OVERVIEW
(Dollar in billions)

2015 GEOGRAPHIC REVENUES: $ 8.8 BILLION 2015 SUB-SEGMENT REVENUES

SIGNIFICANT TRENDS & DEVELOPMENTS

During the third quarter of 2014, GE signed an agreement to sell its Appliances business to Electrolux AB for $3.3 billion. On July 1, 2015, GE was notified that the Department of Justice had initiated court proceedings seeking to enjoin the sale of Appliances to Electrolux AB. On December 7, 2015, GE announced that it had terminated its agreement to sell its Appliances business to Electrolux AB and would pursue other options to sell the Appliances business. GE received a break-up fee of $175 million from Electrolux AB.

On January 15, 2016, GE announced the signing of a definitive agreement to sell its Appliances business to Qingdao Haier Co., Ltd. (Haier) for $5.4 billion. The transaction has been approved by the board of directors of GE and of Haier, and remains subject to customary closing conditions, including Haier shareholder approval, and regulatory approvals. The transaction is targeted to close in mid-2016.

While the demand in the non-LED market segment is slowing, there is a strong global shift to energy efficient lighting including continued growth in LED products.

Launched Current, powered by GE, a digital power service business to deliver integrated energy systems combining LEDs, solar, storage and onsite power.

FINANCIAL OVERVIEW
(Dollar in billions)

SEGMENT REVENUES	SEGMENT PROFIT	SEGMENT PROFIT MARGIN

Equipment

Services

SEGMENT REVENUES & PROFIT WALK:
2015 – 2014

	Revenues	Profit
2014	$ 8.4	$ 0.4
Volume	0.5	-
Price	(0.1)	(0.1)
Foreign Exchange	(0.1)	-
(Inflation)/Deflation	N/A	0.1
Mix	N/A	-
Productivity	N/A	0.2
Other	-	-
2015	$ 8.8	$ 0.7

COMMENTARY:
2015 – 2014

Segment revenues up $0.3 billion (4%);
Segment profit up $0.2 billion (56%) as a result of:

The increase in revenues was primarily due to higher volume in Appliances and gains on asset sales in Lighting, partially offset by lower prices and the impact of a stronger U.S. dollar.

The increase in profit was primarily due to improved productivity, including the effects of classifying Appliances as a business held for sale, and the effects of deflation, partially offset by lower prices.

2014 – 2013

	Revenues	Profit
2013	$ 8.3	$ 0.4
Volume	0.1	-
Price	-	-
Foreign Exchange	-	-
(Inflation)/Deflation	N/A	-
Mix	N/A	-
Productivity	N/A	-
Other	-	-
2014	$ 8.4	$ 0.4

2014 – 2013

Segment revenues up $0.1 billion (1%);
Segment profit up $0.1 billion (13%) as a result of:

The increase in revenues was primarily due to higher volume driven by higher sales at Appliances.

The increase in profit was primarily due to improved productivity including the effects of classifying Appliances as a business held for sale in the third quarter of 2014.

CAPITAL

BUSINESS OVERVIEW

Leader: Keith Sherin	Headquarters & Operations
Vice Chairman, GE and Chairman & CEO, GE Capital Over 30 years of service with General Electric	9% of segment revenues in 2015 Headquarters: Norwalk, CT Employees: approximately 24,000

Products & Services

Capital's continuing financial services businesses and products are geared to utilize GE's industry-specific expertise in aviation, energy, infrastructure and healthcare to capitalize on market-specific opportunities and are further described below. In addition, we continue to operate our run-off insurance activities as part of our continuing operations. Collectively, we refer to these businesses as Verticals. Products and services include:

- Commercial Lending and Leasing (CLL) – offers capital and services to industrials served by GE, including the healthcare industry through its Healthcare Equipment Finance business. The CLL business also provides factoring solutions through its Working Capital Solutions business to the GE industrial businesses by purchasing GE customer receivables. Beginning in 2016, this business will be referred to as Industrial Finance.
- Energy Financial Services (EFS) – invests in long-lived, capital intensive energy projects and companies by providing structured equity, debt, leasing, partnership financing, project finance and broad-based commercial finance.
- GE Capital Aviation Services (GECAS) – offers commercial aircraft financing and leasing for a wide range of aircraft types and financing options.

As a result of the GE Capital Exit Plan, Capital's Real Estate business, Consumer business and most of its CLL business are classified as discontinued operations and are no longer reported as part of the Capital segment. All comparative prior period information has been reclassified to reflect Real Estate, Consumer and most of CLL as discontinued operations.

Competition & Regulation

The businesses in which we engage are subject to competition from various types of financial institutions, including commercial banks, investment banks, leasing companies, independent finance companies, finance companies associated with manufacturers and insurance and reinsurance companies.

GE Capital is a nonbank systemically important financial institution (nonbank SIFI) under the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA). As a result, GE Capital is subject to FRB supervision as described in Regulations and Supervision. GE has discussed the GE Capital Exit Plan with its regulators and staff of the Financial Stability Oversight Council (FSOC) and plans to file its application with the FSOC in early 2016 to terminate the FSOC's designation of GE Capital as a nonbank SIFI. With the completion of the Synchrony Financial split-off, and the FRB's subsequent approval of GE Capital's application to deregister as a saving and loan holding company, GE Capital is no longer a savings and loan holding company. In addition, in connection with the December 2015 reorganization described in The GE Capital Exit Plan section of the MD&A, GE Capital's international operations were consolidated under a new international holding company, GE Capital International Holdings Limited. GE Capital International Holdings Limited is a wholly-owned subsidiary of GE Capital with its own capital structure and is supervised by the U.K. Prudential Regulation Authority (PRA). The PRA's supervision includes capital and liquidity standards that could impact the payment of dividends to GE Capital, and GE Capital International Holdings Limited will remain subject to such supervision even if GE Capital's designation as a nonbank SIFI is terminated.

OPERATIONAL OVERVIEW
(Dollars in billions)

2015 GEOGRAPHIC REVENUES: $10.8 BILLION

2015 SUB-SEGMENT REVENUES

ENDING NET INVESTMENT, EXCLUDING LIQUIDITY*

SUB-SEGMENT ASSET ALLOCATION AS OF DECEMBER 31, 2015

(a) As originally reported
(b) $167 billion including discontinued operations

SIGNIFICANT TRENDS & DEVELOPMENTS

The GE Capital Exit Plan - On April 10, 2015, the Company announced its plan to reduce the size of the financial services businesses through the sale of most of its assets over the following 24 months. It is expected that as a result of the GE Capital Exit Plan, the Capital businesses that will remain with GE will account for about $90 billion in ending net investment (ENI), excluding liquidity, including about $40 billion in the U.S. ENI is a metric used to measure the total capital invested in the financial services businesses. Capital's ENI, excluding liquidity* was $82 billion at December 31, 2015. Further information on the GE Capital Exit Plan is provided in the Consolidated Results section of the MD&A and Note 1 to the consolidated financial statements.

The GE Capital Exit Plan – As the GE Capital Exit Plan progresses, we will continue to incur interest on non-Verticals borrowings, restructuring costs and GE and GE Capital headquarters costs that are in excess of those allocated to the Verticals. These costs are recorded within other continuing operations within Capital.

Milestone Aviation Group – On January 30, 2015, we acquired Milestone Aviation Group, a helicopter leasing business, for approximately $1.8 billion.

Dividends - GE Capital paid $4.3 billion, $3.0 billion and $6.0 billion of dividends to GE in the years ended December 31, 2015, 2014 and 2013, respectively.

*Non-GAAP Financial Measure

FINANCIAL OVERVIEW
(Dollars in billions)

SEGMENT REVENUES	SEGMENT PROFIT (LOSS)(a)
Total Capital	Total Capital
Other Continuing	Verticals
Verticals	Other Continuing

(a) Interest and other financial charges and income taxes are included in determining segment profit for the Capital segment.

COMMENTARY: 2015 – 2014

Capital revenues decreased by $0.5 billion, or 5%, primarily as a result of organic revenue declines, primarily due to lower ENI, lower gains and higher impairments, partially offset by the effects of acquisitions and dispositions.

Within Capital, Verticals revenues decreased by $0.7 billion, or 6%, as a result of organic revenue declines ($0.9 billion), lower gains ($0.2 billion) and higher impairments ($0.1 billion), partially offset by the effects of acquisitions and dispositions ($0.5 billion).

CLL revenues increased by $0.1 billion, or 6%, as a result of organic revenue growth ($0.1 billion), partially offset by the effects of currency exchange.

EFS revenues decreased by $0.7 billion, or 42%, as a result of organic revenue declines ($0.5 billion), lower gains ($0.3 billion) and higher impairments ($0.2 billion), partially offset by the effects of dispositions ($0.2 billion).

GECAS revenues increased by $0.1 billion, or 1%, as a result of the effects of acquisitions ($0.3 billion), lower impairments ($0.1 billion) and higher gains ($0.1 billion), partially offset by organic revenue declines ($0.4 billion).

Insurance revenues decreased $0.1 billion as a result of organic revenue declines ($0.1 billion) and lower gains.

Capital net earnings decreased by $9.2 billion primarily due to charges associated with the GE Capital Exit Plan.

Within Capital, Verticals net earnings increased by $0.1 billion, or 4%, as a result of lower equipment leased to others (ELTO) impairments ($0.1 billion) related to our operating lease portfolio of commercial aircraft and the effects of acquisitions and dispositions ($0.2 billion), partially offset by lower gains ($0.1 billion) and core decreases ($0.1 billion).

CLL net earnings increased by $0.1 billion, or 18%, as a result of core increases of $0.1 billion, partially offset by the effects of currency exchange.

EFS net earnings decreased by $0.3 billion, or 78%, as a result of lower gains ($0.2 billion), core decreases ($0.1 billion) and higher impairments ($0.1 billion), partially offset by the effects of dispositions ($0.1 billion).

GECAS net earnings increased by $0.3 billion, or 28%, as a result of ELTO impairments ($0.2 billion) related to our operating lease portfolio of commercial aircraft, the effects of acquisitions ($0.1 billion) and higher gains, partially offset by core decreases ($0.1 billion).

Insurance net earnings decreased $0.1 billion as a result of core decreases ($0.1 billion) and lower gains.

Other Capital net earnings decreased by $9.3 billion primarily as a result of the GE Capital Exit Plan as follows:
Higher tax expenses of $7.0 billion primarily related to expected repatriation of foreign earnings and write-off of deferred tax assets related to the GE Capital Exit Plan.
Higher treasury operation expenses of $1.0 billion reflecting excess interest expense, including costs associated with the debt exchange completed in October 2015 and derivative activities that reduce or eliminate interest rate, currency or market risk between financial assets and liabilities. We expect to continue to have excess interest costs in 2016 as asset sales outpace our debt maturities. We may engage in liability management actions, such as buying back debt, based on market and economic conditions.
The 2015 $0.8 billion impairment of a coal-fired power plant in the U.S. related to a decision in the fourth quarter to exit the investment over time.

COMMENTARY: 2014 – 2013

Capital revenues increased $0.1 billion as a result of organic revenue growth and higher gains, partially offset by the effects of dispositions.
Within Capital, Verticals revenues increased as a result of organic revenue growth ($0.2 billion) and higher gains ($0.2 billion) offset by the effects of dispositions ($0.2 billion) and higher impairments ($0.1 billion).
CLL revenues increased 2% as a result of organic revenue growth.
EFS revenues increased by $0.2 billion, or 11%, as a result of organic revenue growth ($0.4 billion) and higher gains ($0.1 billion), partially offset by the effects of dispositions ($0.2 billion) and higher impairments ($0.2 billion).
GECAS revenues decreased by $0.1 billion, or 2%, as a result of organic revenue declines ($0.2 billion), partially offset by higher gains ($0.1 billion).
Insurance revenues decreased $0.1 billion as a result of organic revenue declines ($0.1 billion).
Capital net earnings increased by $0.8 billion as a result of core increases, ELTO impairments related to our operating lease portfolio of commercial aircraft, and higher gains, partially offset by the effects of dispositions.
Within Capital, Verticals net earnings increased by $0.2 billion, or 14%, as a result of higher gains ($0.1 billion), ELTO impairments ($0.1 billion) related to our operating lease portfolio of commercial aircraft, and core increases ($0.1 billion), partially offset by the effects of dispositions ($0.1 billion).
CLL net earnings increased slightly or 2% as a result of core increases.
EFS net earnings decreased slightly as a result of higher impairments ($0.1 billion) and the effects of dispositions ($0.1 billion) offset by core increases ($0.1 billion) and higher gains ($0.1 billion).
GECAS net earnings increased by $0.2 billion, or 17%, as a result of ELTO impairments ($0.2 billion) related to our operating lease portfolio of commercial aircraft, and higher gains, partially offset by core decreases ($0.1 billion).
Insurance net earnings increased as a result of core increases.
Other Capital net earnings increased by $0.6 billion primarily as a result of higher tax benefits of $0.6 billion and higher treasury operation income of $0.3 billion, partially offset by higher corporate headquarters expenses of $0.2 billion.

GE CORPORATE ITEMS AND ELIMINATIONS

GE Corporate Items and Eliminations is a caption used in the Segment Operation – Summary of Operating Segment table to reconcile the aggregated results of our segments to the consolidated results of the Company. As such, it includes corporate activities and the elimination of inter-segment activities. Specifically, the GE Corporate Items and Eliminations amounts related to revenues and earnings include the results of disposed businesses (such as NBCU LLC, which we sold in 2013), certain amounts not included in GE industrial operating segment results because they are excluded from measurement of their operating performance for internal and external purposes and the elimination of inter-segment activities. In addition, the GE Corporate Items and Eliminations amounts related to earnings include certain costs of our principal retirement plans, restructuring and other costs reported in corporate, and the unallocated portion of certain corporate costs (such as research and development spending and costs related to our Global Growth Organization).

REVENUES AND OPERATING PROFIT (COST)

(In millions)	2015	2014	2013
Revenues			
Gains (losses) on disposed or held for sale businesses	$1,047	$91	$453
NBCU settlement	450	-	-
NBCU LLC	-	-	1,528
Eliminations and other	(3,708)	(3,954)	(3,386)
Total Corporate Items and Eliminations	$(2,211)	$(3,863)	$(1,405)
Operating profit (cost)			
Gains (losses) on disposed or held for sale businesses	$1,047	$91	$447
NBCU settlement	450	-	-
NBCU LLC	-	-	1,528
Principal retirement plans(a)	(2,760)	(2,313)	(3,222)
Restructuring and other charges	(1,734)	(1,788)	(1,992)
Eliminations and other	(2,111)	(2,215)	(2,763)
Total Corporate Items and Eliminations	$(5,108)	$(6,225)	$(6,002)

CORPORATE COSTS

(In millions)	2015	2014	2013
Total Corporate Items and Eliminations	$(5,108)	$(6,225)	$(6,002)
Less non-operating pension cost*	(2,764)	(2,120)	(2,624)
Total Corporate costs (operating)*	$(2,344)	$(4,105)	$(3,378)
Less, NBCU LLC, restructuring and other charges, gains and NBCU settlement	(237)	(1,697)	(17)
Adjusted Corporate costs (operating)*	$(2,107)	$(2,408)	$(3,361)

(a) Included non-operating pension cost* of $2.8 billion, $2.1 billion and $2.6 billion in 2015, 2014 and 2013, respectively, which includes expected return on plan assets, interest costs and non-cash amortization of actuarial gains and losses.

.

*Non-GAAP Financial Measure

2015 – 2014 COMMENTARY

Revenues and other income increased $1.7 billion, primarily a result of:
$1.0 billion of higher gains from disposed businesses, which included $0.2 billion of a break-up fee paid by Electrolux AB due to the termination of the agreement to acquire the GE Appliances business,
$0.5 billion higher other income from a settlement related to the NBCU transaction, and
$0.2 billion of lower eliminations and other, which was driven by $0.4 billion of lower inter-segment eliminations, partially offset by $0.2 billion lower licensing, asset management and other income.

Operating costs decreased $1.1 billion, primarily as a result of:
$1.0 billion of higher gains from disposed businesses, which included $0.2 billion of a break-up fee paid by Electrolux AB due to termination of the agreement to acquire the GE Appliances business,
$0.5 billion higher other income from a settlement related to the NBCU transaction, and
Lower headquarter functional costs offset by higher investment in Information Technology (IT) growth initiatives.

These decreases to operating costs were partially offset by $0.4 billion higher costs associated with our principal retirement plans including the effects of lower discount rates and updated mortality assumptions.

2014 – 2013 COMMENTARY

Revenues and other income decreased $2.5 billion, primarily a result of:
$1.5 billion lower revenues and other income related to NBCU LLC, which was disposed of in the first quarter of 2013,
$0.4 billion of lower gains from disposed businesses, and
$0.6 billion of higher eliminations and other, which was driven by $0.4 billion of higher inter-segment eliminations. Also contributing to the decrease in revenues and other income was a $0.2 billion impairment related to an investment security in 2014 compared with a $0.1 billion impairment of an investment in a Brazilian company in 2013.

Operating costs increased $0.2 billion, primarily as a result of:
$1.5 billion lower NBCU LLC related income, and
$0.4 billion of lower gains from disposed businesses.

These increases to operating costs were partially offset by the following:
$0.9 billion of lower costs of our principal retirement plans,
$0.2 billion of lower restructuring and other charges. Restructuring and other charges in 2014 included $0.2 billion of impairment related to an investment security at Power, $0.1 billion of asset write-offs at a consolidated nuclear joint venture in which we hold a 51% interest at Power and $0.1 billion curtailment loss on the principal retirement plans resulting from our plan to sell the Appliances business, and

$0.5 billion of lower eliminations and other, which was driven by $0.4 billion of lower corporate costs, which include research and development and functional spending in 2014. In 2013, eliminations and other costs included $0.1 billion impairment of an investment in a Brazilian company.

COSTS AND GAINS NOT INCLUDED IN SEGMENT RESULTS

As discussed in the Segment Operations section within the MD&A, certain amounts are not included in industrial operating segment results because they are excluded from measurement of their operating performance for internal and external purposes. These amounts are included in GE Corporate Items & Eliminations and may include matters such as charges for restructuring; rationalization and other similar expenses; acquisition costs and related charges; technology and product development cost; certain gains and losses from acquisitions or dispositions; and litigation settlements or other charges, for which responsibility preceded the current management team. The amount of costs and gains not included in segment results follows.

COSTS

(In billions)	2015	2014	2013
Power	$0.3	$0.5	$0.3
Renewable Energy	0.2	0.1	0.1
Oil & Gas	0.5	0.3	0.3
Energy Management	0.2	0.2	0.2
Aviation	-	0.3	0.6
Healthcare	0.3	0.5	0.6
Transportation	0.1	-	0.1
Appliances & Lighting	0.1	0.1	0.2
Total	$1.7	$2.1	$2.4

GAINS(a)

(In billions)	2015	2014	2013
Power	$-	$-	$0.1
Renewable Energy	-	-	-
Oil & Gas	-	0.1	0.1
Energy Management(b)	0.1	-	-
Aviation	-	-	-
Healthcare(c)	0.1	-	0.2
Transportation(d)	0.6	-	-
Appliances & Lighting	-	-	-
Total	$0.9	$0.1	$0.5

(a) Related to business dispositions.
(b) Related to the Intelligent Platforms Embedded System Products business disposition in 2015.
(c) Related to the Clarient business disposition in 2015.
(d) Related to the Signaling business disposition in 2015.

DISCONTINUED OPERATIONS

Discontinued operations primarily relate to our financial services businesses as a result of the GE Capital Exit Plan and include our Consumer business, most of our CLL business, our Real Estate business, and our U.S. mortgage business (WMC). All of these operations were previously reported in the Capital segment.

We have entered into Transitional Service Agreements (TSA) with and provided certain indemnifications to buyers of GE Capital's assets. Under the TSAs, GE Capital provides various services for terms generally between 12 and 24 months and receives a level of cost reimbursement from the buyers.

Indemnifications amount to $1.5 billion, for which we have recognized related liabilities of $0.1 billion at December 31, 2015. In addition, we provided $0.7 billion of credit support, the vast majority on behalf of certain CLL customers aligned with signed disposal transactions scheduled to close in 2016, and recognized an insignificant liability at December 31, 2015.

As part of the GE Capital Exit Plan, we entered into hedges (on an after-tax basis) of our net investment in businesses that we plan to dispose. These derivatives are treated as standalone hedges and the mark to market valuation changes on the derivatives are recorded in earnings of discontinued operations.

Results of operations, financial position and cash flows for these businesses are separately reported as discontinued operations for all periods presented.

FINANCIAL INFORMATION FOR DISCONTINUED OPERATIONS

(In millions)	2015	2014	2013
Earnings (loss) from discontinued operations, net of taxes	$(7,495)	$5,855	$5,475

The 2015 loss from discontinued operations, net of taxes, primarily reflected the following:

$7.9 billion after-tax loss at our CLL business (including a $8.7 billion after-tax loss on disposals),
$2.0 billion after-tax loss at our Real Estate business primarily loss on disposals, and
$0.1 billion after-tax effect of incremental reserves related to retained representation and warranty obligations to repurchase previously sold loans on the 2007 sale of WMC.
2015 losses were partially offset by $2.5 billion after-tax earnings at our Consumer business, primarily $3.4 billion after-tax gain on the split-off of Synchrony Financial, $0.5 billion after-tax gain on other transactions closed, partially offset by $0.8 billion after-tax loss on disposals and $0.6 billion after-tax loss from operations.

The 2014 earnings from discontinued operations, net of taxes, primarily reflected the following:

$3.2 billion of after-tax earnings from operations at our Consumer business,
$1.8 billion of after-tax earnings from operations at our CLL business,
$1.0 billion of after-tax earnings from operations at our Real Estate business, and
$0.1 billion tax benefit related to the extinguishment of our loss-sharing arrangement for excess interest claims associated with the 2008 sale of GE Money Japan.
2014 earnings were partially offset by a $0.2 billion after-tax loss on incremental reserves related to retained representation and warranty obligations to repurchase previously sold loans on the 2007 sale of WMC.

The 2013 earnings from discontinued operations, net of taxes, primarily reflected the following:

$4.3 billion of after-tax earnings from operations at our Consumer business,
$1.7 billion of after-tax earnings from operations at our Real Estate business, and
$1.5 billion of after-tax earnings from operations at our CLL business.
2013 earnings were partially offset by $1.6 billion after-tax effect of incremental reserves, primarily related to an agreement to extinguish our loss-sharing arrangement for excess interest claims associated with the 2008 sale of GE Money Japan,
$0.2 billion after-tax effect of incremental reserves related to retained representation and warranty obligations to repurchase previously sold loans on the 2007 sale of WMC, and
$0.2 billion after-tax loss on the disposal of Consumer Russia.

For additional information related to discontinued operations, see Note 2 to the consolidated financial statements.

OTHER CONSOLIDATED INFORMATION

INTEREST AND OTHER FINANCIAL CHARGES

Interest on borrowings and other financial charges amounted to $3.5 billion, $2.7 billion and $2.9 billion in 2015, 2014 and 2013, respectively. Substantially all of our borrowings are in Financial Services, where interest expense was $2.3 billion (including $0.1 billion in debt extinguishment cost), $1.6 billion and $2.0 billion in 2015, 2014 and 2013, respectively. GE Capital average borrowings declined from 2014 to 2015 and from 2013 to 2014. Interest rates have been flat over the three-year period primarily attributable to a mix shift in funding sources, in addition to declining global benchmark interest rates. GE Capital average borrowings were $217.5 billion, $267.6 billion and $297.3 billion in 2015, 2014 and 2013, respectively. The GE Capital average composite effective interest rate (including interest allocated to discontinued operations) was 2.6% in 2015, 2.6% in 2014 and 2.6% in 2013. In 2015, GE Capital average assets continue to decrease in line with the GE Capital Exit Plan. See the Liquidity and Borrowings section within the MD&A for a discussion of liquidity, borrowings and interest rate risk management.

It is our policy to allocate Capital interest expense that is either directly attributable or related to discontinued operations. The allocation is based on a market based leverage ratio, taking into consideration the underlying characteristics of the assets for the specific discontinued operations. Interest expense that is associated with debt that is not assumed by the buyer or required to be repaid as a result of the disposal transaction is reflected in continuing operations after the disposal occurs.

POSTRETIREMENT BENEFIT PLANS
(Dollars in billions)

	PRINCIPAL PENSION PLANS	
BENEFIT PLANS COST	DISCOUNT RATES (December 31)	EXPECTED RATE OF RETURN

2015 – 2014 COMMENTARY

Postretirement benefit plans cost increased in 2015, primarily because of the effects of lower discount rates and new mortality assumptions, which were partially offset by lower loss amortization related to our principal pension plans and by changes to principal retiree benefit plans.
In 2015, we amended our principal retiree benefit plans affecting post-65 retiree health and retiree life insurance for certain production participants. These plan amendments reduced our principal postretirement benefit obligations by approximately $3.3 billion.

2014 – 2013 COMMENTARY

Postretirement benefit plans cost decreased due to higher discount rates and lower loss amortization related to our principal pension plans, partially offset by a lower expected investment return on pension plan assets.
We updated our mortality assumptions at December 31, 2014 based on tables issued by the Society of Actuaries to reflect longer life expectancies. The new mortality assumptions increased our principal postretirement benefit obligations by $4.6 billion at year-end 2014.

Looking forward, our key assumptions affecting 2016 postretirement benefits costs are as follows:

Discount rate at 4.38%, reflecting current long-term interest rates.
Assumed long-term return on our principal pension plan assets of 7.5%.

We expect postretirement benefit plans cost to decrease by approximately $1.0 billion in 2016.

PENSION COSTS

GAAP AND NON-GAAP PENSION COSTS

(In billions)	2015	2014	2013
GAAP principal pension plans' cost	$4.5	$3.6	$4.4
Non-GAAP operating pension cost*	1.7	1.5	1.8

Our operating pension cost for our principal pension plans includes only those components that relate to benefits earned by active employees during the period (service cost, prior service cost amortization and curtailment loss). Non-operating pension cost elements such as interest cost, expected return on plan assets and non-cash amortization of actuarial gains and losses are excluded from this measure. We expect operating pension cost will be about $1.5 billion in 2016.

FUNDED STATUS OF PLANS

The table below presents the funded status of our benefit plans. The funded status represents the fair value of plan assets less benefit obligations.

FUNDED STATUS

(In billions)	2015	2014
GE Pension Plan	$(16.9)	$(15.8)
GE Supplementary Pension Plan	(6.1)	(6.6)
Other pension plans	(4.3)	(3.2)
Principal retiree benefit plans	(6.1)	(9.9)

2015-2014 COMMENTARY

The GE Pension Plan deficit increased in 2015 primarily due to the growth in pension liabilities and plan amendments, partially offset by higher discount rates.
The increase in the underfunding of our other pension plans was primarily attributable to the acquisition of Alstom and liability growth, partially offset by higher discount rates, employer contributions and investment performance.
The decrease in the principal retiree benefit plans deficit was primarily attributable to plan amendments.

The Employee Retirement Income Security Act (ERISA) determines minimum pension funding requirements in the U.S. We did not contribute to the GE Pension Plan in either 2015 or 2014. On an ERISA basis, our preliminary estimate is that the GE Pension Plan was approximately 98% funded at January 1, 2016. The ERISA funded status is higher than the GAAP funded status (73% funded) primarily because the ERISA prescribed interest rate is calculated using an average interest rate. As a result, the ERISA interest rate is higher than the year-end GAAP discount rate. The higher ERISA interest rate lowers pension liabilities for ERISA funding purposes. Our current estimate projects no required minimum pension funding contributions to the GE Pension Plan in 2016 and approximately $2.1 billion in projected contributions in 2017.

*Non-GAAP Financial Measure

We expect to contribute $0.9 billion to our other pension plans in 2016, as compared to $0.5 billion in 2015 and $0.7 billion in 2014. GE Capital is a member of certain GE pension plans. As a result of the GE Exit Plan, GE Capital will have additional funding obligations for these pension plans. These obligations do not relate to the Verticals and are recognized as an expense in GE Capital's other continuing operations when they become probable and estimable. In 2015, the additional funding obligations recognized by GE Capital was $0.1 billion. This additional funding is recorded as a contra expense for GE as GE's future pension obligations will be paid by GE Capital. On a consolidated basis, the additional required pension funding does not affect current period earnings but rather will be reflected as a reduction of the pension liability when paid.

We also expect to contribute $0.5 billion to our principal retiree benefit plans in 2016 similar to our actual contributions of $0.5 billion in both 2015 and 2014.

The funded status of our postretirement benefit plans and future effects on operating results depend on economic conditions and investment performance. For further information about our benefit plans and the effects of this activity on our financial statements see the Critical Accounting Estimates section within the MD&A and Notes 12 and 27 to the consolidated financial statements.

INCOME TAXES

GE pays the income taxes it owes in every country it does business. While GE and GE Capital file a consolidated U.S. federal income tax return, many factors impact our income tax expense and cash tax payments. The most significant factor is that we conduct business in approximately 180 countries and more than half of our revenue is earned outside the U.S., often in countries with lower tax rates than in the U.S. We reinvest most of our foreign earnings overseas to be able to fund our active non-U.S. business operations. Our tax liability is also affected by U.S. and foreign tax incentives designed to encourage certain investments, like research and development; and by acquisitions, dispositions and tax law changes. Finally, our tax returns are routinely audited, and settlements of issues raised in these audits sometimes affect our tax rates.

GE and GE Capital file a consolidated U.S. federal income tax return. This enables GE and GE Capital to use tax deductions and credits of one member of the group to reduce the tax that otherwise would have been payable by another member of the group. The GE Capital effective tax rate reflects the benefit of these tax reductions in the consolidated return. GE makes cash payments to GE Capital for tax reductions and GE Capital pays for tax increases at the time GE's tax payments are due.

CONSOLIDATED
(Dollars in billions)

EFFECTIVE TAX RATE (ETR) PROVISION FOR INCOME TAXES CASH INCOME TAXES PAID

2015 – 2014 COMMENTARY

The consolidated income tax rate for 2015 was greater than 35% due to charges associated with the GE Capital Exit Plan.
As discussed in Note 14 to the consolidated financial statements, in 2015 in conjunction with the GE Capital Exit Plan, we incurred tax expense of $6.3 billion related to expected repatriation of foreign earnings and write-off of deferred tax assets.
The increase in the income tax expense is primarily due to the tax expense incurred as part of the GE Capital Exit Plan.
The consolidated tax provision includes $1.6 billion and $1.5 billion for GE (excluding GE Capital) for 2014 and 2015, respectively.

2014 – 2013 COMMENTARY

The decrease in the consolidated provision for income taxes was attributable to increased benefits from lower taxed global operations, excluding the benefit of audit resolutions.
This decrease was partially offset by an increase in income taxed at rates above the average rate.

On January 2, 2013, the American Taxpayer Relief Act of 2012 was enacted and the law extended several provisions, including a two-year extension of the U.S. tax provision deferring tax on active Financial Services income and certain U.S. business credits, retroactive to January 1, 2012. Under accounting rules, a tax law change is taken into account in calculating the income tax provision in the period enacted. Because the extension was enacted into law in 2013, tax expense in 2013 reflected retroactive extension of the previously expired provisions.

BENEFITS FROM GLOBAL OPERATIONS

Absent the effects of the GE Capital Exit Plan, our consolidated income tax rate is lower than the U.S. statutory rate primarily because of benefits from lower-taxed global operations, including the use of global funding structures. There is a benefit from global operations as non-U.S. income is subject to local country tax rates that are significantly below the 35% U.S. statutory rate. These non-U.S. earnings have been indefinitely reinvested outside the U.S. and are not subject to current U.S. income tax. Most of these earnings have been reinvested in active non-U.S. business operations and we do not intend to repatriate these earnings to fund U.S. operations. The rate of tax on our indefinitely reinvested non-U.S. earnings is below the 35% U.S. statutory rate because we have significant business operations subject to tax in countries where the tax on that income is lower than the U.S. statutory rate and because GE funds certain non-U.S. operations through foreign companies that are subject to low foreign taxes.

A substantial portion of the benefit related to business operations subject to tax in countries where the tax on that income is lower than the U.S. statutory rate is derived from our GECAS aircraft leasing operations located in Ireland and from our Power Services manufacturing operations located in Hungary. No other operation in any one country accounts for a material portion of the remaining balance of the benefit.

We expect our ability to benefit from non-U.S. income taxed at less than the U.S. rate to continue, subject to changes in U.S. or foreign law. In addition, since this benefit depends on management's intention to indefinitely reinvest amounts outside the U.S., our tax provision will increase to the extent we no longer indefinitely reinvest foreign earnings.

BENEFITS FROM LOWER-TAXED GLOBAL OPERATIONS

(In billions)	2015	2014	2013
Benefit of lower foreign tax rate on indefinitely reinvested non-U.S. earnings	$1.1	$1.2	$0.8
GE Capital Exit Plan	(6.1)	-	-
Benefit of audit resolutions	0.2	0.1	0.2
Other	0.4	0.5	-
Total	$(4.4)	$1.8	$1.0

2015 – 2014 COMMENTARY

Our benefits from lower-taxed global operations decreased in 2015 because of the tax expense associated with the GE Capital Exit Plan.

2014 – 2013 COMMENTARY

Our benefits from lower-taxed global operations increased in 2014 because of benefits from indefinitely reinvested earnings taxed at less than the U.S. rate and the non-repeat of foreign valuation allowance increases.

OTHER INFORMATION

To the extent non-U.S. operating income increases, we would expect tax benefits to increase, subject to management's intention to indefinitely reinvest those earnings. Included in 2015 is a tax expense of $6.1 billion related to the expected repatriation of foreign earnings and write-off of deferred tax assets in conjunction with the GE Capital Exit Plan.

The tax benefit from non-U.S. income taxed at a local country rather than the U.S. statutory tax rate is reported in the caption "Tax on global activities including exports" in the effective tax rate reconciliation in Note 14 to the consolidated financial statements.

A more detailed analysis of differences between the U.S. federal statutory rate and the consolidated effective rate, as well as other information about our income tax provisions, is provided in the Critical Accounting Estimates section within the MD&A and Note 14 to the consolidated financial statements. The nature of business activities and associated income taxes differ for GE and for GE Capital; therefore, a separate analysis of each is presented in the paragraphs that follow.

GE EFFECTIVE TAX RATE (EXCLUDING GE CAPITAL EARNINGS)
(Dollars in billions)

We believe that the GE effective tax rate and provision for income taxes are best analyzed in relation to GE earnings before income taxes excluding the GE Capital net earnings from continuing operations, as GE tax expense does not include taxes on GE Capital earnings. For further information on this calculation, see the Supplemental Information section within the MD&A.

GE ETR, EXCLUDING GE CAPITAL EARNINGS* GE PROVISION (BENEFIT) FOR INCOME TAXES

2015 – 2014 COMMENTARY

The GE provision for income taxes decreased in 2015 because of increased benefits from lower taxed global operations ($0.2 billion), including benefits from integrating our existing services business with Alstom's services business.
The GE provision for income taxes also decreased due to increases in the benefit of audit resolutions ($0.2 billion) shown below and deductible stock losses ($0.2 billion).
Partially offsetting these decreases was an increase in income taxed at rates above the average tax rate ($0.5 billion).

2014 – 2013 COMMENTARY

The GE provision for income taxes decreased in 2014 primarily because of increased benefits from lower taxed global operations ($0.8 billion).
That decrease was partially offset by the decrease in the benefit of audit resolutions ($0.3 billion) shown below, an increase in income taxed at rates above the average tax rate ($0.3 billion), and the non-repeat of the 2013 benefit from the enactment of the extension of certain U.S. business credits ($0.1 billion), discussed above.

*Non-GAAP Financial Measure

Resolution of audit matters reduced the GE provision for income taxes by $0.3 billion, $0.1 billion and $0.4 billion in 2015, 2014 and 2013, respectively. The effects of such resolutions are included in the following captions in Note 14 to the consolidated financial statements.

AUDIT RESOLUTIONS - EFFECT ON GE TAX RATE,
EXCLUDING GE CAPITAL EARNINGS

	2015	2014	2013
Tax on global activities including exports	(1.5) %	(0.2) %	(2.4) %
U.S. business credits	(0.5)	-	(0.6)
All other - net	(0.3)	(0.7)	(1.0)
Total	(2.3) %	(0.9) %	(4.0) %

GE CAPITAL EFFECTIVE TAX RATE
(Dollars in billions)

GE CAPITAL ETR	GE CAPITAL PROVISION (BENEFIT) FOR INCOME TAXES

2015 – 2014 COMMENTARY

The increase in the income tax expense from a benefit of $0.9 billion for 2014 to an expense of $5.0 billion for 2015 is primarily due to the tax expense, discussed in Note 14 to the consolidated financial statements, related to the GE Capital Exit Plan.

2014 – 2013 COMMENTARY

The increase in tax benefit of $0.5 billion from 2013 to 2014 was primarily due to increased benefits from lower tax global operations ($0.2 billion), non-repeat of an expense for IRS audit resolutions ($0.2 billion) and increased state and local tax benefits ($0.1 billion).

GEOGRAPHIC DATA

Our global activities span all geographic regions and primarily encompass manufacturing for local and export markets, import and sale of products produced in other regions, leasing of aircraft, sourcing for our plants domiciled in other global regions and provision of financial services within these regional economies. Thus, when countries or regions experience currency and/or economic stress, we often have increased exposure to certain risks, but also often have new opportunities that include, among other things, expansion of industrial activities through purchases of companies or assets at reduced prices and lower U.S. debt financing costs.

Financial results of our non-U.S. activities reported in U.S. dollars are affected by currency exchange. We use a number of techniques to manage the effects of currency exchange, including selective borrowings in local currencies and selective hedging of significant cross-currency transactions. Such principal currencies are the euro, the pound sterling, the Brazilian real and the Chinese renminbi.

REVENUES

Revenues are classified according to the region to which products and services are sold. For purposes of this analysis, the U.S. is presented separately from the remainder of the Americas.

GEOGRAPHIC REVENUES

				V%	
(Dollars in billions)	2015	2014	2013	2015-2014	2014-2013
U.S.	$53.2	$51.1	$49.4	4 %	4 %
Non-U.S.					
Europe	16.8	18.4	18.2		
Asia	19.3	20.2	20.9		
Americas	12.0	11.8	11.3		
Middle East and Africa	16.0	15.6	13.5		
Total Non-U.S.	64.1	66.0	63.9	(3)%	3 %
Total	$117.4	$117.2	$113.2	- %	3 %
Non-U.S. Revenues as a % of Consolidated Revenues	55%	56%	56%		

NON-U.S. REVENUES

The decrease in non-U.S. revenues in 2015 was primarily due to decreases in growth markets of 11% in Canada and 29% in Australia & New Zealand (ANZ), partially offset by an increase of 2% in Middle East, North Africa and Turkey (MENAT) and 1% in China.

The increase in 2014 was primarily due to increases in growth markets of 14% in MENAT, 28% in sub-Sahara, and 7% in Latin America, partially offset by a decrease of 15% in ANZ.

The effects of currency fluctuations on reported results were as follows:

Decreased revenues by $4.9 billion in 2015, primarily driven by the euro ($2.6 billion), the Brazilian real ($0.9 billion) and the Canadian dollar ($0.2 billion).

Decreased revenues by $0.6 billion in 2014, primarily driven by the Brazilian real ($0.2 billion), Canadian dollar ($0.1 billion) and Japanese yen ($0.1 billion), partially offset by the British pound ($0.1).

Decreased revenues by $0.4 billion in 2013, primarily driven by the Japanese yen ($0.3 billion) and Brazilian real ($0.2 billion), partially offset by the euro ($0.2 billion).

The effects of foreign currency fluctuations decreased earnings in 2015 by $0.7 billion, primarily driven by the euro ($0.6 billion) and Brazilian real ($0.1 billion). The effects of foreign currency fluctuations on earnings were minimal in 2014.

ASSETS
We classify certain assets that cannot meaningfully be associated with specific geographic areas as "Other Global" for this purpose.

TOTAL ASSETS (CONTINUING OPERATIONS)

December 31 (In billions)	2015	2014
U.S.	$177.3	$171.8
Non-U.S.		
Europe	141.0	102.8
Asia	22.0	26.1
Americas	17.5	17.1
Other Global	14.0	13.6
Total Non-U.S.	194.5	159.6
Total	$371.7	$331.4

The increase in total assets of non-U.S. operations on a continuing basis reflected an increase primarily in Europe driven by the Alstom acquisition, partially offset by the strengthening of the U.S. dollar against most major currencies.

STATEMENT OF FINANCIAL POSITION

Because GE and GE Capital share certain significant elements of their Statements of Financial Position, the following discussion addresses significant captions in the consolidated statement. Within the following discussions, however, we distinguish between GE and GE Capital activities in order to permit meaningful analysis of each individual consolidating statement.

MAJOR CHANGES IN OUR FINANCIAL POSITION DURING 2015

Cash and equivalents increased $0.5 billion. GE Cash and equivalents decreased $5.5 billion due to cash flows from operating activities of $16.4 billion, more than offset by $10.4 billion used to acquire businesses (primarily Alstom) and $12.1 billion cash returned to investors in the form of dividends of $9.3 billion and buyback of treasury stock of $2.8 billion (cash basis). GE Capital Cash and equivalents increased $6.0 billion primarily driven by $79.6 billion in proceeds from business dispositions, partially offset by $59.3 billion net repayment of debt and $4.6 billion in payments of dividends to shareowners. See the Statement of Cash Flows section for additional information.
Goodwill increased $12.3 billion, primarily as a result of the Alstom and Milestone acquisitions, partially offset by currency exchange effects of the stronger U.S. dollar and disposals.
All other assets increased $12.6 billion, primarily due to purchases of time deposits at GE Capital of $10.4 billion.
Assets of discontinued operations decreased $202.6 billion, primarily due to the disposition of Consumer businesses of $113.8 billion (including the Synchrony Financial split-off), CLL businesses of $56.1 billion and Real Estate of $33.0 billion. See Note 2 for additional information.
Other GE current liabilities increased $9.3 billion, primarily driven by the Alstom acquisition of $5.6 billion and taxes payable of $2.7 billion.
Borrowings decreased $63.1 billion, primarily due to net repayments on GE Capital borrowings of $55.3 billion, along with an $8.9 billion reduction in the balances driven by the strengthening of the U.S. dollar against major currencies, partially offset by a net increase in borrowings by GE of $2.0 billion.
Liabilities of discontinued operations decreased $81.7 billion, primarily driven by the disposition of Consumer businesses of $69.1 billion (including the Synchrony Financial split-off), CLL businesses of $11.6 billion and Real Estate of $1.7 billion. See Note 2 for additional information.
Retained earnings decreased $15.3 billion, due to common stock dividends of $9.1 billion in addition to a net loss of $6.1 billion.
Common stock held in treasury increased $20.9 billion, primarily due to the Synchrony Financial share exchange of $20.4 billion and buyback of treasury stock of $3.3 billion (book basis). This was partially offset by treasury stock dispositions of $2.8 billion, primarily stock option exercises of $1.8 billion.
Noncontrolling interests decreased $6.8 billion, primarily due to the GE Capital preferred share exchange of $4.9 billion and the Synchrony Financial split-off of $2.8 billion, partially offset by noncontrolling interests related to the Alstom acquisition of $0.7 billion. The impact of the preferred share exchange is also the primary driver for the increase in Other capital of $4.7 billion. See Note 15 for additional information.

FINANCIAL RESOURCES AND LIQUIDITY

LIQUIDITY AND BORROWINGS

We maintain a strong focus on liquidity. At both GE and GE Capital we manage our liquidity to help provide access to sufficient funding to meet our business needs and financial obligations throughout business cycles.

Our liquidity and borrowing plans for GE and GE Capital are established within the context of our annual financial and strategic planning processes. At GE, our liquidity and funding plans take into account the liquidity necessary to fund our operating commitments, which include primarily purchase obligations for inventory and equipment, payroll and general expenses (including pension funding). We also take into account our capital allocation and growth objectives, including paying dividends, repurchasing shares, investing in research and development and acquiring industrial businesses. At GE, we rely primarily on cash generated through our operating activities, any dividend payments from GE Capital, and also have historically maintained a commercial paper program that we regularly use to fund operations in the U.S., principally within the quarters.

GE Capital has historically relied on the unsecured term debt markets, the global commercial paper markets, deposits, secured funding, retail funding products, bank borrowings and securitizations to fund its balance sheet. Subsequent to April 10, 2015 and with the execution of the GE Capital Exit Plan, we do not plan to issue any incremental GE Capital senior unsecured term debt for four years. Furthermore we have reduced our commercial paper from $25 billion to $5 billion as of December 31, 2015 and with our executed and current disposition plans we have substantially reduced our reliance on deposits and securitization. Today, we mainly rely on excess cash positions, cash generated through dispositions, and the cash flow from our Verticals business to fund our debt maturities and our operating and interest expense costs. GE Capital's liquidity position is targeted to meet its obligations under both normal and stressed conditions. We expect to maintain an elevated liquidity position as we generate cash from asset sales, returning to more normalized levels in 2019. During this period we expect to have excess interest costs as asset sales outpace our debt maturities. While we maintain elevated liquidity levels, we may engage in liability management actions, such as buying back debt, based on market and economic conditions in order to reduce our excess interest costs. In 2015, we repurchased $1 billion of long-term unsecured debt. In addition, we repurchased $0.8 billion of debt for which we had the right to call.

Our 2016 GE Capital funding plan anticipates repayment of principal on outstanding short-term borrowings, including the current portion of long-term debt ($42.6 billion at December 31, 2015), principally through dispositions, asset sales and cash on hand. Long-term maturities and early redemptions were $41.3 billion in 2015.

We maintain a detailed liquidity policy for GE Capital that requires GE Capital to maintain a contingency funding plan. The liquidity policy defines GE Capital's liquidity risk tolerance under different stress scenarios based on its liquidity sources and also establishes procedures to escalate potential issues. We actively monitor GE Capital's access to funding markets and its liquidity profile through tracking external indicators and testing various stress scenarios. The contingency funding plan provides a framework for handling market disruptions and establishes escalation procedures in the event that such events or circumstances arise. GE Capital will continue to evaluate the need to modify the existing contingency funding plan due to the GE Capital Exit Plan.

As part of the GE Capital Exit Plan, on September 21, 2015 GE Capital commenced private offers to exchange up to $30 billion of certain outstanding debt for new notes with maturities of six months, five years, ten years or twenty years. On October 19, 2015, given the high level of participation, the offering was increased by $6 billion with the aggregate principal amount of $36 billion (representing $31 billion of outstanding principal and $5 billion of premium) of outstanding notes being tendered for exchange and settled on October 26, 2015. The new notes that were issued at closing are composed of $15.3 billion of 0.964% Six Month Notes due April 2016, £0.8 billion of 1.363% Six Month Notes due April 2016, $6.1 billion of 2.342% Notes due 2020, $2.0 billion of 3.373% Notes due 2025 and $11.5 billion of 4.418% Notes due 2035. Of the $16.2 billion exchanged into Six Month Notes, $1.3 billion had been in short-term borrowings. GE Capital will continue to evaluate the opportunity to repurchase debt while maintaining our liquidity at the levels communicated as part of the GE Capital Exit Plan. The new notes have been fully, irrevocably and unconditionally guaranteed by GE.

On December 2, 2015, $87.7 billion of senior unsecured notes and $4.9 billion of commercial paper was assumed by GE upon its merger with GE Capital. See Note 10 to the consolidated financial statements.

On May 28, 2015, GE issued €3,150 million senior unsecured debt, composed of €650 million of Floating Rate Notes due 2020, €1,250 million of 1.250% Notes due 2023 and €1,250 million of 1.875% Notes due 2027. On October 9, 2015, $2.0 billion of long-term debt issued by GE matured.

LIQUIDITY SOURCES

In addition to GE cash of $10.4 billion at December 31, 2015, GE Capital maintained liquidity sources of $90.9 billion that consisted of cash and equivalents of $60.1 billion, high-quality investments of $10.4 billion presented in Other Assets and cash and equivalents of $20.4 billion classified as discontinued operations. Additionally, we have $45.6 billion of committed unused credit lines.

CASH AND EQUIVALENTS

December 31 (In billions)	2015		2015
GE(a)	$10.4	U.S.	$20.4
GE Capital(b)	60.1	Non-U.S.(c)	50.1

(a) At December 31, 2015, $2.8 billion of GE cash and equivalents was held in countries with currency controls that may restrict the transfer of funds to the U.S. or limit our ability to transfer funds to the U.S. without incurring substantial costs. These funds are available to fund operations and growth in these countries and we do not currently anticipate a need to transfer these funds to the U.S.

(b) At December 31, 2015, GE Capital cash and equivalents of about $0.7 billion were primarily in insurance entities and were subject to regulatory restrictions.

(c) Of this amount at December 31, 2015, $3.5 billion is held outside of the U.S. and is available to fund operations and other growth of non-U.S. subsidiaries; it is also available to fund our needs in the U.S. on a short-term basis through short-term loans, without being subject to U.S. tax. Under the Internal Revenue Code, these loans are permitted to be outstanding for 30 days or less and the total of all such loans is required to be outstanding for less than 60 days during the year. If we were to repatriate this cash, we would be subject to additional U.S. income taxes and foreign withholding taxes.

COMMITTED UNUSED CREDIT LINES

December 31 (In billions)	2015
Revolving credit agreements (exceeding one year)	$24.5
Revolving credit agreements (364-day line)(a)	21.1
Total(b)	$45.6

(a) Included $20.9 billion that contains a term-out feature that allows us to extend borrowings for two years from the date on which such borrowings would otherwise be due.

(b) Total committed unused credit lines were extended to us by 48 financial institutions but can be drawn on and lent to GE Capital.

In conjunction with the GE Capital Exit Plan, we are currently evaluating the amount of credit lines we require in the future.

FUNDING PLAN

We reduced our Capital ENI, excluding liquidity*, to $82 billion at December 31, 2015.

During the first quarter of 2015, GE Capital completed issuances of $8.1 billion of senior unsecured debt (excluding securitizations described below) with maturities up to 10 years.

COMMERCIAL PAPER

(In billions)	GE	GE Capital
Average commercial paper borrowings during the fourth quarter of 2015	$13.8	$ 9.2
Maximum commercial paper borrowings outstanding during the fourth quarter of 2015	16.8	12.7

GE Capital commercial paper maturities have historically been funded principally through new commercial paper issuances and at GE are substantially repaid before quarter-end using indefinitely reinvested overseas cash, which as discussed above, is available for use in the U.S. on a short-term basis without being subject to U.S. tax. As of December 31, 2015, GE Capital reduced the outstanding commercial paper to $5 billion, consistent with the announced GE Capital Exit Plan.

We securitize financial assets as an alternative source of funding. During the first twelve months of 2015, we completed $2.1 billion of non-recourse issuances and $3.4 billion of non-recourse borrowings matured. At December 31, 2015, consolidated non-recourse securitization borrowings were $3.1 billion.

*Non-GAAP Financial Measure

We have eight deposit-taking banks outside of the U.S., which are classified as discontinued operations, and one deposit-taking bank in the U.S., GE Capital Bank, an industrial bank (IB), which is also classified as discontinued operations. The IB currently issues certificates of deposit (CDs) in maturity terms up to 10 years.

EXCHANGE RATE AND INTEREST RATE RISKS

Exchange rate and interest rate risks are managed with a variety of techniques, including match funding and selective use of derivatives. We use derivatives to mitigate or eliminate certain financial and market risks because we conduct business in diverse markets around the world and local funding is not always efficient. In addition, we use derivatives to adjust the debt we are issuing to match the fixed or floating nature of the assets we are originating. We apply strict policies to manage each of these risks, including prohibitions on speculative activities. Following is an analysis of the potential effects of changes in interest rates and currency exchange rates using so-called "shock" tests that seek to model the effects of shifts in rates. Such tests are inherently limited based on the assumptions used (described further below) and should not be viewed as a forecast; actual effects would depend on many variables, including market factors and the composition of the Company's assets and liabilities at that time.

It is our policy to minimize exposure to interest rate changes. We fund our financial investments using debt or a combination of debt and hedging instruments so that the interest rates of our borrowings match the expected interest rate profile on our assets. To test the effectiveness of our hedging actions, we assumed that, on January 1, 2016, interest rates decreased by 100 basis points across the yield curve (a "parallel shift" in that curve) and further assumed that the decrease remained in place for the next 12 months. Based on the year-end 2015 portfolio and holding all other assumptions constant, we estimated that our consolidated net earnings for the next 12 months, starting in January 2016, would decline by less than $0.3 billion as a result of this parallel shift in the yield curve.

It is our policy to minimize currency exposures and to conduct operations either within functional currencies or using the protection of hedge strategies. We analyzed year-end 2015 consolidated currency exposures, including derivatives designated and effective as hedges, to identify assets and liabilities denominated in other than their relevant functional currencies. For such assets and liabilities, we then evaluated the effects of a 10% shift in exchange rates between those currencies and the U.S. dollar, holding all other assumptions constant. This analysis indicated that our 2016 consolidated net earnings would decline by less than $0.2 billion as a result of such a shift in exchange rates. This analysis excludes any translation impact from changes in exchange rates on our financial results.

DEBT AND DERIVATIVE INSTRUMENTS, GUARANTEES AND COVENANTS

CREDIT RATINGS

As of December 31, 2015, GE's and GE Capital's long-term unsecured debt ratings from Standard and Poor's Ratings Service (S&P) were AA+ and the short-term funding rating from S&P were A-1+. The rating outlook for GE was downgraded from stable to negative on October 7, 2015, while the rating outlook for GE Capital remains stable. On April 10, 2015, Moody's Investors Service (Moody's) downgraded the senior unsecured debt rating for GE to A1 from Aa3 following GE's April 10 announcement of the GE Capital Exit Plan. GE's P-1 short-term rating was affirmed. Moody's affirmed GE Capital's A1/P-1 ratings. The rating outlook for GE and GE Capital were stable. We are disclosing these ratings to enhance understanding of our sources of liquidity and the effects of our ratings on our costs of funds. Although we currently do not expect a downgrade in the credit ratings, our ratings may be subject to a revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating.

PRINCIPAL DEBT AND DERIVATIVE CONDITIONS

Certain of our derivative instruments can be terminated if specified credit ratings are not maintained and certain debt and derivatives agreements of other consolidated entities have provisions that are affected by these credit ratings.

Fair values of our derivatives can change significantly from period to period based on, among other factors, market movements and changes in our positions. We manage counterparty credit risk (the risk that counterparties will default and not make payments to us according to the terms of our standard master agreements) on an individual counterparty basis. Where we have agreed to netting of derivative exposures with a counterparty, we offset our exposures with that counterparty and apply the value of collateral posted to us to determine the net exposure. We actively monitor these net exposures against defined limits and take appropriate actions in response, including requiring additional collateral.

Swap, forward and option contracts are executed under standard master agreements that typically contain mutual downgrade provisions that provide the ability of the counterparty to require termination if the long-term credit ratings of the applicable GE entity were to fall below A-/A3 or other ratings levels agreed upon with the counterparty. In certain of these master agreements, the counterparty also has the ability to require termination if the short-term ratings of the applicable GE entity were to fall below A-1/P-1. The net derivative liability after consideration of netting arrangements, outstanding interest payments and collateral posted by us under these master agreements was estimated to be $0.7 billion at December 31, 2015. See Notes 20 and 27 to the consolidated financial statements.

For further information about our risk exposures, our use of derivatives, and the effects of this activity on our financial statements see Notes 20 and 27 to the consolidated financial statements.

INCOME MAINTENANCE AGREEMENT AND GE GUARANTEE OF CERTAIN GE CAPITAL DEBT

GE provides implicit and explicit support to GE Capital through commitments, capital contributions and operating support. As part of the GE Capital Exit Plan, on April 10, 2015, GE and GE Capital entered into an amendment to their existing financial support agreement. Under this amendment (the Amendment), the Company has provided a full and unconditional guarantee (the Guarantee) of the payment of principal and interest on all tradable senior and subordinated outstanding long-term debt securities and all commercial paper issued or guaranteed by GE Capital identified in the Amendment. The Guarantee replaced the requirement that the Company make certain income maintenance payments to GE Capital in certain circumstances. GE Capital's U.S. public indentures were concurrently amended to provide the full and unconditional guarantee by the Company set forth in the Guarantee. At December 31, 2015, the balance of this debt that GE assumed was $85.1 billion, and the Guarantee applied to approximately $85.8 billion of GE Capital debt.

STATEMENT OF CASH FLOWS – OVERVIEW FROM 2013 THROUGH 2015

CONSOLIDATED CASH FLOWS

We evaluate our cash flow performance by reviewing our industrial (non-GE Capital) businesses and GE Capital businesses separately. Cash from operating activities (CFOA) is the principal source of cash generation for our industrial businesses. The industrial businesses also have liquidity available via the public capital markets.

GE CASH FLOWS

(Dollars in billions)

OPERATING CASH FLOWS	INVESTING CASH FLOWS	FINANCING CASH FLOWS
2013 2014 2015	2013 2014 2015	2013 2014 2015

With respect to GE CFOA, we believe that it is useful to supplement our GE Statement of Cash Flows and to examine in a broader context the business activities that provide and require cash.

The most significant source of cash in GE CFOA is customer-related activities, the largest of which is collecting cash resulting from product or services sales. See the Intercompany Transactions and Eliminations section for information related to transactions between GE and GE Capital. The most significant operating use of cash is to pay our suppliers, employees, tax authorities and others for a wide range of material and services. Dividends from GE Capital represent the distribution of a portion of GE Capital retained earnings, and are distinct from cash from continuing operations within the GE Capital businesses.

2015–2014 COMMENTARY

GE cash from operating activities increased $1.2 billion primarily due to the following:
A decrease of operating cash collections of $0.4 billion to $109.3 billion in 2015, primarily due to lower GE segment revenues from sales of goods and services.
A decrease of operating cash payments of $0.3 billion to $97.2 billion in 2015, primarily driven by decreased inventory spend.
Further, GE Capital paid dividends totaling $4.3 billion and $3.0 billion to GE in 2015 and 2014, respectively.

GE cash used for investing activities increased $6.9 billion primarily due to the following:
Higher business acquisition activity of $8.3 billion is primarily driven by the 2015 acquisition of Alstom of $10.1 billion. This is partially offset by the 2014 acquisitions of certain Thermo Fisher Scientific Inc. life-science businesses for $1.1 billion, Cameron's Reciprocating Compression Division for $0.6 billion and API Healthcare (API) for $0.3 billion.

This is partially offset by $1.1 billion higher proceeds from principal business dispositions and $0.3 billion higher proceeds from dispositions of property, plant and equipment.

GE cash used for financing activities increased $1.5 billion primarily due to the following:
The 2015 repayment of $2.0 billion of GE unsecured notes. This is partially offset by the 2015 issuance of unsecured notes of $3.4 billion compared with $3.0 billion in 2014.

2014–2013 COMMENTARY

GE cash from operating activities increased $0.9 billion primarily due to the following:
An increase of operating cash collections of $4.9 billion to $109.7 billion in 2014. This increase is consistent with comparable GE segment revenue increases from sales of goods and services and higher collections on current receivables. These increases were partially offset by a decrease in progress collections.
This increase is partially offset by an increase of operating cash payments of $1.0 billion to $97.5 billion in 2014 consistent with cost and expense increases, which was partially offset by the non-recurrence of payments made in 2013, including NBCU LLC deal-related tax payments, and payouts under our long-term incentive plan.
Further, GE Capital paid dividends totaling $3.0 billion and $6.0 billion to GE in 2014 and 2013, respectively.

GE cash used for investing activities decreased $10.7 billion primarily due to the following:
2013 proceeds of $16.7 billion from the sale of our remaining 49% common equity interest in NBCU LLC to Comcast Corporation.
This was partially offset by lower business acquisition activity of $5.9 billion primarily driven by the 2014 acquisitions of certain Thermo Fisher Scientific Inc. life-science businesses for $1.1 billion, Cameron's Reciprocating Compression Division for $0.6 billion and API Healthcare (API) for $0.3 billion compared with the 2013 acquisitions of Avio for $4.4 billion and Lufkin for $3.3 billion.

GE cash used for financing activities decreased $14.2 billion primarily due to the following:
A decrease in net repurchases of GE shares for treasury in accordance with our share repurchase program of $8.1 billion.

The 2013 repayment of $5.0 billion of GE unsecured notes compared with the issuance of $3.0 billion of unsecured notes in 2014.
These decreases were partially offset by an increase in the dividends paid to shareowners of $1.0 billion.

GE CAPITAL CASH FLOWS

(Dollars in billions)

OPERATING CASH FLOWS INVESTING CASH FLOWS FINANCING CASH FLOWS

2013 2014 2015 2013 2014 2015 2013 2014 2015

2015–2014 COMMENTARY

GE Capital cash from operating activities decreased $4.7 billion primarily due to the following:
A decrease in net cash collateral activity with counterparties on derivative contracts of $2.7 billion.
A decrease in accounts payable of $0.4 billion in addition to a decrease in cash generated from earnings and other activity.

GE Capital cash from investing activities increased $49.1 billion primarily due to the following:
In 2015, we closed the sale of certain of our CLL, Real Estate and Consumer businesses for proceeds of $35.2 billion, $27.7 billion and $16.7 billion, respectively.
This increase was partially offset by the investment in high quality interest bearing deposits that mature in April 2016 of $10.4 billion.
Lower aircraft sales deposits of $2.2 billion.
The net cash payment of $1.7 billion for the 2015 acquisition of Milestone Aviation Group.
Lower activity in other assets-investments of $1.2 billion driven by net activity of our equity-method investments.

GE Capital cash used for financing activities increased $27.7 billion primarily due to the following:
Higher net repayments of borrowings of $25.7 billion driven primarily by an increase in short-term and long-term debt maturities.
Higher dividends paid to GE totaling $4.3 billion and $3.0 billion in 2015 and 2014, respectively.

2014–2013 COMMENTARY

GE Capital cash from operating activities increased $1.0 billion primarily due to the following:
An increase in net cash collateral activity with counterparties on derivative contracts of $3.0 billion.
An increase in cash generated from earnings and other activity.
These increases were partially offset by a net decrease in tax activity of $3.9 billion driven by net tax payments in 2014 compared with net tax refunds in 2013.

GE Capital cash from investing activities decreased $15.7 billion primarily due to the following:
A net decrease in financing receivables activity of $3.2 billion driven by net originations of financing receivables in 2014 of $0.2 billion, compared with net collections (which includes sales) of financing receivables of $3.0 billion in 2013.

A net decrease in investment securities activity of $3.4 billion driven by net sales of $0.7 billion in 2014, compared with net sales of $4.1 billion in 2013.

Lower activity in other assets-investments of $0.5 billion driven by net activity of our equity-method investments.

GE Capital cash used for financing activities increased $7.0 billion primarily due to the following:
Higher net repayments of borrowings, consisting primarily of lower issuances, of $9.2 billion.
Lower dividends paid to GE totaling $3.0 billion and $6.0 billion, including special dividends of $1.0 billion and $4.1 billion in 2014 and 2013, respectively.

INTERCOMPANY TRANSACTIONS AND ELIMINATIONS

Effects of transactions between related companies are made on an arms-length basis, are eliminated and consist primarily of GE Capital dividends to GE; GE customer receivables sold to GE Capital; GE Capital services for trade receivables management and material procurement; buildings and equipment leased between GE and GE Capital; information technology (IT) and other services sold to GE Capital by GE; aircraft engines manufactured by GE that are installed on aircraft purchased by GE Capital from third-party producers for lease to others; expenses related to parent-subsidiary pension plans, and various investments, loans and allocations of GE corporate overhead costs.

GE sells customer receivables to GE Capital in part to fund the growth of our industrial businesses. These transactions can result in cash generation or cash use. During any given period, GE receives cash from the sale of receivables to GE Capital. It also foregoes collection of cash on receivables sold. The incremental amount of cash received from sales of receivables in excess of the cash GE would have otherwise collected had those receivables not been sold, represents the cash generated or used in the period relating to this activity. The incremental cash generated in GE CFOA from selling these receivables to GE Capital increased GE's CFOA by $1.6 billion, $2.2 billion and $0.1 billion in 2015, 2014 and 2013, respectively.

See Note 23 to the consolidated financial statements for additional information about the eliminations of intercompany transactions between GE and GE Capital.

CONTRACTUAL OBLIGATIONS

As defined by reporting regulations, our contractual obligations for future payments as of December 31, 2015, follow.

	Payments due by period				
(In billions)	Total	2016	2017-2018	2019-2020	2021 and thereafter
Borrowings (Note 10)	$198.3	$50.8	$43.0	$28.2	$76.3
Interest on borrowings	69.1	5.1	8.0	6.4	49.6
Purchase obligations(a)(b)	50.0	20.9	10.0	13.1	6.1
Insurance liabilities (Note 11)(c)	11.5	1.2	2.1	1.6	6.7
Operating lease obligations (Note 26)	4.2	0.8	1.3	1.0	1.1
Other liabilities(d)					