



Environmental Remediation Programs
General Electric Company
Attention: Compliance Director, 110011

Letter From Chief Financial Officer
*(to Demonstrate Financial Responsibility for Closure
Corrective Action Pursuant to Civil Action No. 87-1073-jb)*

March 17, 1997

Boyd Hamilton
State of New Mexico
Environmental Improvement Division
1190 St. Francis Dr.
Harold Runnels Bldg.
Santa Fe, NM 87503

COPY



FILE: GEAP, 97

I am the chief financial officer of *the General Electric Company, 1 River Road, Schenectady, NY 12345*. This letter is in support of this firm's use of the financial test to demonstrate financial assurance for closure, as specified in *subpart D of 40 CFR part 761*.

1. This firm is the owner or operator of the following facilities for which financial assurance for closure is demonstrated through the financial test specified in subpart D of 40 CFR part 761. The current closure cost estimates covered by the test are shown for each facility: *See Schedule A*.
2. This firm guarantees, through the guarantee specified in subpart D of 40 CFR part 761, the closure care of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility: *None*.
3. In States where EPA is not administering the financial requirements of subpart D of 40 CFR part 761, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in subpart D of 40 CFR part 761. The current closure cost estimates covered by such a test are shown for each facility: *None*.
4. This firm is the owner or operator of the following commercial PCB storage facilities for which financial assurance for closure is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in subpart D of 40 CFR part 271 or equivalent or substantially equivalent State mechanisms. The current closure cost estimates not covered by such financial assurance are shown for each facility: *None*.

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under part 144. The current closure cost estimates as required by 40 CFR 144.62 are shown for each facility: None.

This firm "is required" to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 1996.

Alternative II

(Dollars in Thousands)

- | | |
|--|---------------|
| 1. Sum of current closure and post-closure cost estimates [total of all cost estimates shown in the five paragraphs above] | \$225 |
| 2. Current bond rating of most recent issuance of this firm and name of rating service ---- | Aaa - Moody's |
| 3. Date of issuance of bond ---- | 12/30/96 |
| 4. Date of maturity of bond ---- | 12/1/16 |
| *5. Tangible net worth [if any portion of the closure and post-closure cost estimates is included in "total liabilities" on your firm's financial statements, you may add the amount of that portion to this line] | \$15,118,000 |
| *6. Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.) | \$189,593,000 |
| 7. Is line 5 at least \$10 million ? (Yes/No) ---- | YES |
| 8. Is line 5 at least 6 times line 1? (Yes/No) ---- | YES |
| *9. Are at least 90% of firm's assets located in the U.S.? If not, complete line 10 (Yes/No) ---- | NO |
| 10. Is line 6 at least 6 times line 1? (Yes/No) ---- | YES |

Page Three
Corrective Action

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(f) as such regulations were constituted on the date shown immediately below.

A handwritten signature in black ink, appearing to read "Dennis D. Dammerman", with a long horizontal flourish extending to the right.

Dennis D. Dammerman
Senior Vice President - Finance
March 17, 1997

**FINANCIAL ASSURANCE FOR CORRECTIVE ACTION
SCHEDULE A
FISCAL YEAR ENDED DECEMBER 31, 1996**

3/6/97

A ID #	FACILITY	STREET	CITY	ST	CLOSURE	POST CLOS.	TOTAL
D047140256	GE INDUSTRIAL & POWER SYS - SER	4420 MCLOED RD., NE.	ALBUQUERQUE	NM	224,649	0	224,649
Facilities	1			Total:	224,649	0	224,649

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

The Board of Directors
General Electric Company:

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and Management of General Electric Company, solely to assist you in connection with the filing of selected financial information included in "Alternative II" of your letter dated March 17, 1997 to the United States Environmental Protection Agency regarding corrective action. This engagement to apply agreed-upon procedures was performed in accordance with the standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board of Directors and Management of General Electric Company. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- Tangible Net Worth - We compared the dollar amount of tangible net worth, \$15,118,000 thousand, as shown in Item 5, to the difference between Total Share Owners' Equity, \$31,125,000 thousand, and Intangible Assets, \$16,007,000 thousand, each reflected in the Statement of Financial Position on page 30 of the Company's 1996 Annual Report, and found such amounts to be in agreement.
- Total Assets in the United States - We compared the Company's Total Assets in the United States, \$189,593,000 thousand, as shown in Item 6, to the Company's Total Assets in the United States reflected in Note 29 - Geographic Segment Information on page 64 of the Company's 1996 Annual Report, and found such amounts to be in agreement.
- Are at Least 90% of Assets Located in the United States? - We divided the Company's Total Assets in the United States, \$189,593,000 thousand, reflected in Note 29 - Geographic Segment Information on page 64 of the Company's 1996 Annual Report by the Company's Total Assets, \$272,402,000 thousand reflected in the Statement of Financial Position on page 30 of the Company's 1996 Annual Report, and found that the Company's Total Assets in the United States were less than 90% of the Company's Total Assets. Accordingly, we agree with the Company's response of "No" in Item 9.

KPMG Peat Marwick LLP

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Board of Directors and Management of General Electric Company, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

March 17, 1997

KPMG Peat Marwick LLP

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

COPY

(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, 1996

Commission file number 1-35

or

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

For the transition period from _____ to _____

General Electric Company

(Exact name of registrant as specified in charter)

New York

(State or other jurisdiction of
incorporation or organization)

14-0689340

(I.R.S. Employer Identification No.)

3135 Easton Turnpike, Fairfield, CT
(Address of principal executive offices)

06431-0001
(Zip Code)

203/373-2211
(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 \$0.32 per share

New York Stock Exchange
Boston Stock Exchange

There were 1,640,183,273 shares of common stock with a par value of \$0.32 outstanding at March 2, 1997. These shares, which constitute all of the voting stock of the registrant, had an aggregate market value on March 3, 1997, of \$170.6 billion. Affiliates of the Company beneficially own, in the aggregate, less than one-tenth of one percent of such shares.

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 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 10-K.

Documents Incorporated by Reference

The definitive proxy statement relating to the registrant's Annual Meeting of Share Owners, to be held April 23, 1997, is incorporated by reference in Part III to the extent described therein.

Part I

Item 1. Business

General

Unless otherwise indicated by the context, the terms "GE," "GECS" and "GE Capital Services" are used on the basis of consolidation described in note 1 to the consolidated financial statements on page 47 of the 1996 Annual Report to Share Owners of General Electric Company. The financial section of such Annual Report to Share Owners (pages 27 through 66 of that document) is set forth in Part IV Item 14(a)(1) of this 10-K Report and is an integral part hereof. References in Parts I and II of this 10-K Report are to the page numbers of the 1996 Annual Report to Share Owners included in Part IV of this 10-K Report. Also, unless otherwise indicated by the context, "General Electric" means the parent company, General Electric Company.

General Electric's address is 1 River Road, Schenectady, NY 12345-6999; the Company also maintains executive offices at 3135 Easton Turnpike, Fairfield, CT 06431-0001.

The "Company" (General Electric Company and consolidated affiliates) is one of the largest and most diversified industrial corporations in the world. From the time of General Electric's incorporation in 1892, the Company has engaged in developing, manufacturing and marketing a wide variety of products for the generation, transmission, distribution, control and utilization of electricity. Over the years, development and application of related and new technologies have broadened considerably the scope of activities of the Company and its affiliates. The Company's products include, but are not limited to, lamps and other lighting products; major appliances for the home; industrial automation products and components; motors; electrical distribution and control equipment; locomotives; power generation and delivery products; nuclear reactors, nuclear power support services and fuel assemblies; commercial and military aircraft jet engines; materials, including plastics, silicones and superabrasives; and a wide variety of high-technology products, including products used in medical diagnostic applications.

The Company also offers a wide variety of services, including product support services; electrical product supply houses; electrical apparatus installation, engineering, repair and rebuilding services; and computer-related information services. The National Broadcasting Company, Inc. (NBC), a wholly-owned subsidiary, is engaged principally in furnishing network television services, in operating television stations, and in providing cable programming and distribution services in the United States, Europe, Asia and Latin America. Through another wholly-owned subsidiary, General Electric Capital Services, Inc. (GECS), and its two principal subsidiaries, the Company offers a broad array of financial services including consumer financing, commercial and industrial financing, real estate financing, asset management and leasing, mortgage services, consumer savings and insurance services, specialty insurance and reinsurance. Other services offered by GECS include satellite communications furnished by its subsidiary, GE Americom, Inc. The Company also licenses patents and provides technical services related to products it has developed, but such activities are not material to the Company.

In November 1994, GE elected to terminate the operations of Kidder, Peabody Group Inc. (Kidder, Peabody), the GECS securities broker-dealer, by initiating an orderly liquidation of its assets and liabilities. As part of the liquidation plan, GE received securities of Paine Webber Group Inc. in exchange for certain broker-dealer assets and operations. Principal activities that were discontinued included securities underwriting; sales and trading of equity and fixed income securities; financial futures activities; advisory services for mergers, acquisitions and other corporate finance matters; merchant banking; research services; and asset management. This liquidation has been substantially complete since mid-1995. Kidder, Peabody financial results have been classified as discontinued operations in the 1996 Annual Report to Share Owners and throughout this report.

Aggressive and able competition is encountered worldwide in virtually all of the Company's business activities. In many instances, the competitive climate is characterized by changing technology that requires continuing research and development commitments, and by capital-intensive needs to meet customer requirements. With respect to manufacturing operations, it is believed that, in general, GE has a leadership position (i.e., number one or number two) in most major markets served. The NBC Television Network is one of four major national commercial broadcast television networks. It also competes with two newly launched commercial broadcast networks, syndicated broadcast television programming and cable and satellite television programming activities. The businesses in which GE Capital Services engages are subject to competition from various types of financial institutions, including commercial banks, thrifts, investment banks, credit unions, leasing companies, consumer loan companies, independent finance companies, finance companies associated with manufacturers, and insurance and reinsurance companies.

GE has substantial export sales from the United States. In addition, the Company has majority, minority or other joint venture interests in a number of non-U.S. companies engaged primarily in manufacturing and distributing products and providing nonfinancial services similar to those sold within the United States. GECS' financial services operations outside the United States have expanded considerably over the past several years.

Industry Segments

The Company's operations are highly decentralized. The basic organization of the Company's operations consists of 12 key businesses, which contain management units of differing sizes. For industry segment reporting purposes, the businesses are aggregated by the principal industries in which the Company participates. This aggregation is on a worldwide basis, which means that the operations of multi-industry non-U.S. affiliates are classified by appropriate industry segment.

Financial information on consolidated industry segments is presented on page 37 of the 1996 Annual Report to Share Owners in two parts: one for GE that includes GECS in the All Other segment on a one-line basis in accordance with the equity method of accounting, and one for GECS as a separate entity. For GE, five of the 12 key businesses (Aircraft Engines, Appliances, Power Systems, Plastics and NBC) represent individual segments (namely, Aircraft Engines, Appliances, Power Generation, Materials and Broadcasting, respectively). Except for "All Other," the remaining businesses are aggregated by the two industry segments in which they participate (Industrial Products and Systems, and Technical Products and Services). The All Other segment consists primarily of GECS' earnings, discussed above, and revenues derived from licensing use of GE technology to others. For GECS, revenues and operating profit are presented separately by the two industry segments in which it conducts its business (Financing and Specialty Insurance). There is appropriate elimination of the net earnings of GECS and the immaterial effect of transactions between GE and GECS segments to arrive at total consolidated data.

Additional financial data and commentary on recent operating results for industry segments are reported on pages 35-39 of the 1996 Annual Report to Share Owners. Further details can be found in note 28 (pages 62 and 63 of that Report) to the consolidated financial statements. These data and comments are for General Electric Company's continuing operations, except as otherwise indicated, and should be referred to in conjunction with the summary description of each of the industry segments which follows.

Aircraft Engines

Aircraft Engines (8.0%, 8.7% and 9.5% of consolidated revenues in 1996, 1995 and 1994, respectively) produces, sells and services jet engines, turboprop and turboshaft engines, and related replacement parts for use in military and commercial aircraft. GE's military engines are used in a wide variety of aircraft that includes fighters, bombers, tankers, helicopters and surveillance aircraft. The CFM56, produced by CFMI, a

company jointly owned by GE and Snecma of France, and GE's CF6 engines power aircraft in all categories of large commercial aircraft: short/medium, intermediate and long-range. Applications for the CFM56 engine include: Boeing's 737-300/-400/-500 series and the new 737-600X/-700/-800 series; Airbus Industrie's A319, A320, A321 and A340 series; and military aircraft such as the KC-135R, E/KE-3 and E-6. The CF6 family of engines powers intermediate and long-range aircraft such as Boeing's 747 and 767 series, Airbus Industrie's A300, A310 and A330 series, and McDonnell Douglas' DC-10 and MD-11 series. The GE90 engine, which was certified by the Federal Aviation Administration in February 1995, is used to power Boeing's new 777 series twin-engine aircraft. The Company also produces jet engines for executive aircraft and regional commuter aircraft, and aircraft engine derivatives used for marine propulsion, mechanical drives and industrial power generation sources. Maintenance and repair services are provided for many models of engines, including engines manufactured by competitors. In 1996, the Company further expanded its services operations through the acquisition of Celma, an engine overhaul operation in Brazil.

The worldwide competition in aircraft jet engines is intense. Both U.S. and export markets are important. Product development cycles are long and product quality and efficiency are critical to success. Research and development expenditures, both customer-financed and internally funded, are also important in this segment. Potential sales for any engine are limited by, among other things, its technological lifetime, which may vary considerably depending upon the rate of advance in the state of the art, by the small number of potential customers and by the limited number of airframes. Sales of replacement parts and services are an important part of the business. Aircraft engine orders tend to follow military and airline procurement cycles, although cycles for military and commercial engine procurements are different. U.S. procurements of military jet engines are affected by the government's response to changes in the global political and economic outlook.

In line with industry practice, sales of commercial jet aircraft engines often involve long-term financing commitments to customers. In making such commitments, it is GE's general practice to require that it have or be able to establish a secured position in the aircraft being financed. Under such airline financing programs, GE had issued loans and guarantees (principally guarantees) amounting to \$1.5 billion at year-end 1996, and had entered into commitments totaling \$1.6 billion to provide financial assistance on future aircraft engine sales. Estimated fair values of the aircraft securing these receivables and associated guarantees exceeded the related account balances or guaranteed amounts at December 31, 1996.

For current information about Aircraft Engines orders and backlog, see page 35 of the 1996 Annual Report to Share Owners.

Appliances

Appliances (8.1%, 8.5% and 9.9% of consolidated revenues in 1996, 1995 and 1994, respectively) manufactures and/or markets a single class of product - major appliances - that includes refrigerators, electric and gas ranges, microwave ovens, freezers, dishwashers, clothes washers and dryers, and room air conditioning equipment. These are sold under GE, Hotpoint, RCA, Monogram and Profile brands as well as under private brands for retailers and others. GE microwave ovens and room air conditioners are mainly sourced from Asian suppliers while investment in Company-owned U.S. facilities is focused on refrigerators, dishwashers, ranges (primarily electric, but some gas) and home laundry equipment. A large portion of appliance sales is for replacement of installed units. Such sales are through a variety of retail outlets. The other principal channel consists of residential building contractors who install appliances in new dwellings. GE has an extensive U.S. service network that supports its appliance business.

Appliances continues to increase its operating presence in the global business arena and participates in numerous manufacturing and distribution joint ventures around the world. In 1996, the business acquired a 73% interest in DAKO S.A., Brazil's leading gas range manufacturer.

Demand for appliances is influenced by economic trends such as increases or decreases in consumer disposable income, availability of credit and housing construction. Competition is very active in all products and comes from a number of principal manufacturers and suppliers. An important factor is cost; considerable competitive emphasis is placed on minimizing manufacturing and distribution costs and on reducing cycle time from order to product delivery. Other significant factors include brand recognition, quality, features offered, innovation, customer responsiveness and appliance service capability. A number of processes, such as Quick Response, New Product Introduction and Quick Market Intelligence, have been implemented to improve GE's competitiveness in these areas. For example, the Six Sigma quality initiative will reduce waste, improve the quality of the product, and enable the business to provide better service. The business has also worked closely with its supplier network to reduce material costs. In 1996, the business broadened its high-end product offering with the introduction of the GE Monogram Collection™, a group of professional-style, stainless steel appliances. A number of innovative products were also added to the GE Profile line, including the 24-cubic-foot "Built in Style" refrigerator and the GE Profile 4300 Series dishwasher.

Broadcasting

Broadcasting (6.6% of consolidated revenues in 1996, 5.6% in 1995 and 1994) consists primarily of the National Broadcasting Company (NBC). NBC's principal businesses are the furnishing within the United States of network television services to affiliated television stations, the production of live and recorded television programs, the operation, under licenses from the Federal Communications Commission (FCC), of television broadcasting stations, the operation of seven cable/satellite networks around the world, and investment and programming activities in multimedia and cable television. The NBC Television Network is one of four major U.S. commercial broadcast television networks and serves more than 200 affiliated stations within the United States. At December 31, 1996, NBC owned and operated 11 VHF and UHF television stations located in Chicago; Los Angeles; Miami; New York; Philadelphia; San Diego; Washington, D.C.; Birmingham, Ala.; Columbus, Ohio; Providence, R.I.; Raleigh-Durham, N.C. Broadcasting operations, including the NBC Television Network and owned stations, are subject to FCC regulation. NBC's operations include investment and programming activities in cable television, principally through its ownership of CNBC, NBC Super Channel, and CNBC Asia, as well as equity investments in Arts and Entertainment, Court TV, American Movie Classics, Bravo, Prime Network and regional Sports Channels across the United States. In 1996, NBC and Microsoft Corporation entered into a joint venture that provides information to users through two separate but related sources: MSNBC Cable, a 24-hour news and information cable channel; and MSNBC Interactive, a comprehensive interactive on-line news and information service. NBC contributed the assets of America's Talking and NBC Desktop to the joint ventures. In 1995, NBC launched NBC Digital Publishing, which publishes CD-ROMs, and NBC Online Ventures, which establishes news, sports and entertainment sites on the World Wide Web and Microsoft Network. In 1995, NBC launched CNBC Asia, the first 24-hour business news channel to be broadcast live from three continents. Also in 1995, NBC secured United States television rights to the 2000, 2002, 2004, 2006 and 2008 Olympics. Further, NBC completed a transaction with CBS, Inc. (CBS) that involved an exchange of the assets of NBC's Denver station for the assets of the CBS station in Philadelphia, as well as an exchange of signals and transmitters in Miami. The transaction also involved the sale to CBS of NBC's station in Salt Lake City.

Industrial Products and Systems

Industrial Products and Systems (13.1%, 14.6% and 15.6% of consolidated revenues in 1996, 1995 and 1994, respectively) encompasses lighting products, electrical distribution and control equipment, transportation systems, motors and industrial systems, industrial automation products and GE Supply. No "similar" class of products or services within the segment approached 10% of any year's consolidated revenues during the three years ended December 31, 1996. Customers for many of these products and services include electrical distributors, original equipment manufacturers and industrial end users.

Lighting includes a wide variety of lamps - incandescent, fluorescent, high intensity discharge, halogen and specialty - as well as outdoor lighting fixtures, wiring devices and quartz products. Markets and customers are global. In 1996, the business acquired the remaining interest in GE Apar Lighting Private Ltd., in India, increased its ownership interest in GE Jiabao Lighting Co., Inc., a 1994 joint venture in China, and acquired PT Sinar Baru Electric in Indonesia. Previously in 1995, the Lighting business had acquired from its partner the remaining interest in P.T. GE Angkasa Lighting. Lighting purchased Focos S.A. in Mexico and Lindner Licht GmbH in Germany in 1994. Customers for lighting products are extremely diverse, ranging from household consumers to commercial and industrial end users and original equipment manufacturers.

Electrical Distribution and Control includes power delivery and control products such as circuit breakers, transformers, electricity meters, relays, capacitors and arresters sold for installation in commercial, industrial and residential facilities. In 1995, to bolster European sales and global competitiveness, Electrical Distribution and Control (ED&C) acquired the low voltage business of AEG, a European manufacturer. Also in 1995, GE acquired the remaining interest in the GE Power Controls joint venture in Europe and Multilin, a leading manufacturer of electronics in Canada.

Transportation Systems includes locomotives, transit propulsion and control equipment, motorized wheels for off-highway vehicles such as those used in mining operations, motors for drilling devices and parts and service for the foregoing. Locomotives are sold worldwide, principally to railroads, while customers for other products include state and urban transit authorities and industrial users. In 1995, the business formed a joint venture with Harris Corporation, GE-Harris Railway Electronics, L.L.C., that will expand its market focus to include communications and logistics systems for locomotive, train and fleet control. In 1994, the business began production of its alternating current (AC) locomotives. More than 800 of the 4,400 horsepower AC units are now in service on three railroads. A new 6,000 horsepower AC unit has been developed and several pre-production units were provided to customers for testing during 1996. For further information about Transportation Systems orders and backlog, see page 36 of the 1996 Annual Report to Share Owners.

Motors and Industrial Systems includes electric motors and related products, engineering services for the appliance, commercial, industrial, heating, air conditioning, automotive and utility markets. Electrical and electronic industrial automation products, including drive systems, are customized controls and drives for metal and paper processing, mining, utilities and marine applications. Engineering services include management and technical expertise for power plants and other large projects; maintenance, inspection, repair and rebuilding of electrical apparatus produced by GE and others; and on-site engineering and upgrading of already installed products sold by GE and others. Motor products are used within GE and also are sold externally. In 1995, GE formed a joint venture with Fuji Electric of Japan to jointly pursue global sales of standard drives. Industrial automation products cover a broad range of electrical and electronic products with emphasis on manufacturing and advanced engineering automation applications. Through a 50-50 joint venture (GE Fanuc Automation Corporation) which has two operating subsidiaries (one in North America and the other in Europe), GE offers a wide range of high-technology industrial automation systems and equipment, including computer numerical controls and programmable logic controls.

GE Supply operates a U.S. network of electrical supply houses and through its subsidiary, GE Supply Mexico, operates three supply houses in Mexico. GE Supply offers products of General Electric and other manufacturers to electrical contractors and to industrial, commercial and utility customers.

Markets for industrial products generally lag overall economic slowdowns as well as subsequent recoveries. U.S. industrial markets are undergoing significant structural changes reflecting, among other factors, international competition and pressures to modernize productive capacity. Additional information about certain of GE's industrial businesses follows.

Competition for lighting products comes from a number of global firms as well as from smaller regional competitors and is based principally on brand awareness, price, distribution and product innovation. The nature of lighting products and market diversity make the lighting business somewhat less sensitive to economic cycles than other businesses in this segment.

Electrical distribution and control equipment is sold to distributors, electrical contractors, large industrial users and original equipment manufacturers. Demand is affected principally by levels of (and cycles in) residential and non-residential construction as well as domestic industrial plant and equipment expenditures. Competitors include other large manufacturers, with international competition increasing.

In transportation systems, demand is historically cyclical. There is strong worldwide competition from major firms engaged in the sale of transportation equipment.

External sales of motors and related products are principally to manufacturers of original equipment, distributors and industrial users. Competition includes other motor and component producers, integrated manufacturers and customers' own in-house capability. Demand for these products is price competitive, putting emphasis on economies of scale and manufacturing technology. Other market factors include energy-driven technological changes and the cyclical nature of consumer demand. Competition in industrial automation is intense and comes from a number of U.S. and international sources.

Materials

Materials (8.2%, 9.5% and 9.5% of consolidated revenues in 1996, 1995 and 1994, respectively) includes high-performance plastics used by compounders, molders and major original equipment manufacturers for use in a variety of applications, including fabrication of automotive parts, computer enclosures, major appliance parts and construction materials. Products also include ABS resins, silicones, superabrasives and laminates. Market opportunities for many of these products are created by substituting resins for other materials, which provides customers with productivity through improved material performance at lower cost. These materials are sold to a diverse worldwide customer base, mainly manufacturers. The business has a significant operating presence around the world and participates in numerous manufacturing and distribution joint ventures. In 1996, the business completed the first stage of its new polycarbonate manufacturing facility in Spain. The plant, which is scheduled to be completed in 1998, will add capacity of 130,000 tons per year. In the United States, the business added capacity of 50,000 tons of polycarbonate per year at its Burkeville, Alabama site.

The materials business environment is characterized by technological innovation and heavy capital investment. Being competitive requires emphasis on efficient manufacturing process implementation and significant resources devoted to market and application development. Competitors include large, technology-driven suppliers of the same, as well as other functionally equivalent, materials. The business is cyclical and is subject to variations in price and in the availability of raw materials, such as cumene, benzene and methanol. Adequate capacity to satisfy growing demand and anticipation of new product or material performance requirements are key factors affecting competition.

Power Generation

Power Generation (9.2%, 9.3% and 9.9% of consolidated revenues in 1996, 1995 and 1994, respectively) serves utility, industrial and governmental customers worldwide with products for the generation of electricity, with related installation, engineering and repair services and with environmental systems. Worldwide competition continues to be intense. For information about orders and backlog, see page 36 of the 1996 Annual Report to Share Owners. Gas turbines are used principally in power plants for generation of electricity and for industrial cogeneration and mechanical drive applications. Centrifugal compressors are sold for application in gas reinjection, pipeline services and such process applications as refineries and ammonia

plants. In 1994, the business acquired an 81% interest in Nuovo Pignone, an Italian energy equipment manufacturer, further strengthening its position in Europe, North Africa, the Middle East and Asia. Steam turbine-generators are sold to the electric utility industry, to the U.S. Navy and, for cogeneration, to private industrial customers. Marine steam turbines also are sold to the U.S. Navy. Nuclear reactors and fuel and support services for both new and installed boiling water reactors are also a part of this segment. There have been no nuclear power plant orders in the United States since the mid-1970s. The business is currently participating in the construction of nuclear power plants in Japan and Taiwan. The business continues to invest in advanced technology development and to focus its resources on refueling and servicing its installed boiling-water reactors.

As discussed in the previous paragraph, there is intense worldwide competition for power generation products and services. Demand for most power generation products and services is worldwide and as a result is sensitive to the economic and political environment of each country in which the business participates. In the United States, demand for power generation equipment is sensitive to the financial condition of the electric utility industry as well as the electric power conservation efforts by power users. Internationally, the influence of petroleum and related prices has a large impact on power generation demand.

Technical Products and Services

Technical Products and Services (5.9%, 6.3% and 7.1% of consolidated revenues in 1996, 1995 and 1994, respectively) consists of technology operations providing products, systems and services to a variety of customers. Principal businesses included in this segment are Medical Systems and Information Services.

Medical Systems include magnetic resonance (MR) scanners, computed tomography (CT) scanners, x-ray, nuclear imaging, ultrasound, and other diagnostic and therapy equipment and supporting services sold to hospitals and medical facilities worldwide. GE Medical Systems has a significant operating presence in Europe and Asia, including the operations of its affiliates, GE Medical Systems S.A. (France), GE Yokogawa Medical Systems (Japan) and WIPRO GE Medical Systems (India). Acquisitions and joint ventures continue to expand GE Medical Systems' global activities. In 1995, the business expanded its service offerings by entering into an agreement with Columbia/HCA, the largest multi-hospital system in the United States, to manage all of its diagnostic imaging equipment service. In 1996, the range of services provided under the agreement was expanded to include biomedical equipment service.

Business-to-business electronic commerce solutions are provided to over 40,000 trading partners around the world by GE Information Services (GEIS). Its global networked based solutions include Electronic Data Interchange and messaging services, Internet, intranet and systems integration services, and a line of applications that help customers to lower their costs, reduce cycle times, and improve quality in purchasing, logistics, and supplier and distribution channel management. In May 1994, Ameritech Corporation, a leading telecommunications company, invested \$472 million in GEIS that is intended to convert to a 30% equity position in that business in the near future.

Serving a range of customers with special needs (which are rapidly changing in areas such as medical and information systems), businesses in this segment compete against a variety of both U.S. and non-U.S. manufacturers or service operations. Technological competence and innovation, excellence in design, high product performance, quality of service and competitive pricing are among the key factors affecting competition for these products and services. Throughout the world, demands on health care providers to control costs have become much more important. Medical Systems is responding with cost-effective technologies that improve operating efficiency and clinical productivity. See page 36 of the 1996 Annual Report to Share Owners for information about orders and backlog of GE Medical Systems' products.

All Other GE

All Other GE consists mostly of earnings of and investment in GECS, a wholly-owned consolidated affiliate, which is accounted for on a one-line basis in accordance with the equity method of accounting. Other ongoing operations (0.4% of consolidated revenues in 1996, 1995 and 1994) mainly involve licensing the use of GE technology and patents to others. A separate discussion of segments within GECS appears below.

GECS Segments

GECS consists of the ownership of two principal affiliates that, together with their affiliates and other investments, constitute General Electric Company's principal financial services activities. GECS owns all of the common stock of General Electric Capital Corporation (GE Capital or GECC) and GE Global Insurance Holding Corporation (GE Global Insurance or GIH), the principal subsidiary of which is Employers Reinsurance Corporation (ERC).

For industry segment purposes, Financing (30.0%, 27.2% and 24.8% of consolidated revenues in 1996, 1995 and 1994, respectively) includes the financing and consumer savings and insurance operations of GE Capital; Specialty Insurance (11.3%, 10.6% and 8.2% of consolidated revenues in 1996, 1995 and 1994, respectively) consists of the activities of GIH as well as the activities of other insurance entities discussed on page 63 of the 1996 Annual Report to Share Owners; and All Other represents GECS corporate activities not identifiable with specific industry segments.

Additional information follows.

Financing activities of GE Capital are summarized below. Very little of the financing provided by GE Capital involves products that are manufactured by GE.

- *Consumer services* — private-label and bank credit card loans, time sales and revolving credit and inventory financing for retail merchants, auto leasing and inventory financing, mortgage servicing, and consumer savings and insurance services.

- *Specialized financing* — loans and financing leases for major capital assets, including industrial facilities and equipment and energy-related facilities; commercial and residential real estate loans and investments; and loans to and investments in management buyouts, including those with high leverage, and corporate recapitalizations.

- *Equipment management* — leases, loans, and asset management services, including sales, for portfolios of commercial and transportation equipment, including aircraft, trailers, auto fleets, modular space units, railroad rolling stock, data processing equipment, containers used on ocean-going vessels, and satellites.

- *Mid-market financing* — loans and financing and operating leases for middle-market customers, including manufacturers, distributors and end users, for a variety of equipment that includes data processing equipment, medical and diagnostic equipment, and equipment used in construction, manufacturing, office applications and telecommunications activities.

GE Capital continues to experience broad growth from both internal sources and through acquisitions. In 1996, GE Capital's equipment management operations acquired Ameridata Technologies Inc., an international provider of distributed computer products and services as well as business and technology consulting services, and CompuNet Computer AG, a provider of distributed computing and communications technologies based in Germany. Also in 1996, GE Capital's consumer services operations acquired the Life

Insurance Company of Virginia and First Colony Corporation, further expanding and enhancing its offerings of life insurance and annuity products. In 1995, consumer services acquired SOVAC SA and Credit de l'Est (France), the Australian Retail Financial Network (Australia), the Pallas Group (United Kingdom), and the purchase of the remaining interest in United Merchants Finance Ltd. (Hong Kong). In 1994, consumer services established operations in Japan with the acquisition of the consumer financing business of Minebea Co., Ltd., which provides a variety of consumer financial products and services, including consumer credit cards, home improvement loans, educational loans and collections. Consumer services operations also acquired Harcourt General's insurance businesses, which underwrite individual life, health, accident and credit insurance annuities. Mid-market financing acquired Northern Telecom Finance Corporation, which provides financing to Northern Telecom's customers and dealers.

GE Capital's activities are subject to a variety of federal and state regulations including, at the federal level, the Consumer Credit Protection Act, the Equal Credit Opportunity Act and certain regulations issued by the Federal Trade Commission. A majority of states have ceilings on rates chargeable to customers in retail time sales transactions, installment loans and revolving credit financing. Certain GECS consolidated affiliates are restricted from remitting funds to GECS in the form of dividends or loans by a variety of regulations, the purpose of which is to protect affected insurance policyholders, depositors or investors. GECS' international operations are also subject to regulation in their respective jurisdictions. To date, such regulations have not had a material adverse effect on GE Capital's operations or profitability. Common carrier services of GE Americom are subject to regulation by the Federal Communications Commission.

On March 28, 1991, GE entered into an agreement to make payments to GE Capital, constituting additions to pre-tax income, to the extent necessary to cause the ratio of earnings to fixed charges of GE Capital and consolidated affiliates (determined on a consolidated basis) to be not less than 1.10 for the period, as a single aggregation, of each GE Capital fiscal year commencing with fiscal year 1991. The agreement can only be terminated by written notice and termination is not effective until the third anniversary of the date of such notice. GE Capital's ratios of earnings to fixed charges for the years 1996, 1995 and 1994, respectively, were 1.53, 1.51 and 1.63, substantially above the level at which payments would be required. Under a separate agreement, GE has committed to make a capital contribution to GE Capital in the event certain GE Capital preferred stock is redeemed and such redemption were to cause the GE Capital debt-to-equity ratio, excluding from equity all net unrealized gains and losses on investment securities, to exceed 8 to 1.

Specialty Insurance includes GIH which, together with its affiliates, writes substantially all lines of reinsurance, and other insurance activities of GE Capital. ERC, GIH's principal affiliate, together with its subsidiaries, reinsures property and casualty risks written by more than 1,000 insurers around the world, and also writes certain specialty lines of insurance on a direct basis, principally excess workers' compensation for self-insurers, errors and omissions coverage for insurance and real estate agents and brokers, excess indemnity for self-insurers of medical benefits, and libel and allied torts. Other property and casualty affiliates write excess and surplus lines insurance, and provide reinsurance brokerage services. GIH also is engaged in the reinsurance of traditional life insurance products, including term, whole and universal life, annuities, group long term health products and the provision of financial reinsurance to life insurers. In 1995, GIH, through its ERC affiliate, acquired a majority of two German reinsurance businesses, Frankona Reinsurance Group and Aachen Reinsurance Group, both located in Germany. These businesses together with other ERC affiliates located in Denmark and the United Kingdom write property and casualty and life reinsurance, principally in Europe and elsewhere throughout the world. In December 1994, certain life and property and casualty affiliates of GE Capital were transferred to ERC. These affiliates had been managed by ERC since 1986. GIH and certain U.S. affiliates are licensed in all states of the United States, the District of Columbia, certain provinces of Canada and in other jurisdictions. The other insurance activities of GECS consist of GE Capital affiliates that provide various forms of insurance. Financial Guaranty Insurance Company provides financial guaranty insurance, principally on municipal bonds and structured finance issues. GE Capital's mortgage insurance operations are engaged in providing primary and, on a limited basis, pooled private mortgage insurance. Other affiliates provide creditor

insurance for international retail borrowers and, for GE Capital customers, credit life and certain types of property and casualty insurance. In 1996, GE Capital acquired Union Fidelity Life Insurance Company, a leader in partnership marketing of domestic life and health insurance products. Businesses in the Specialty Insurance segment are generally subject to regulation by various insurance regulatory agencies.

Geographic Segments, Exports from the U.S. and Total International Operations

Financial data for geographic segments (based on the location of the Company operation supplying goods or services and including exports from the U.S. to unaffiliated customers) are reported in note 29 to consolidated financial statements on page 64 of the 1996 Annual Report to Share Owners.

Additional financial data about GE's exports from the U.S. and total international operations are on page 40 of the 1996 Annual Report to Share Owners.

Orders Backlog

See pages 35, 36 and 44 of the 1996 Annual Report to Share Owners for information about GE's backlog of unfilled orders.

Research and Development

Total expenditures for research and development were \$1,886 million in 1996. Total expenditures had been \$1,892 million in 1995 and \$1,741 million in 1994. Of these amounts, \$1,421 million in 1996 was GE-funded (\$1,299 million in 1995 and \$1,176 million in 1994); and \$465 million in 1996 was funded by customers (\$593 million in 1995 and \$565 million in 1994), principally the U.S. government. Aircraft Engines accounts for the largest share of GE's research and development expenditures from both Company and customer funds. Other significant expenditures of Company and customer research and development funds were made by Medical Systems, Power Systems, and Plastics.

Approximately 7,700 person-years of scientist and engineering effort were devoted to research and development activities in 1996, with about 82% of the time involved primarily in GE-funded activities.

Environmental Matters

See pages 44 and 58 of GE's 1996 Annual Report to Share Owners for a discussion of environmental matters.

Employee Relations

At year-end 1996, General Electric Company and consolidated affiliates employed 239,000 persons, of whom approximately 155,000 were in the United States. For further information about employees, see page 45 of the 1996 Annual Report to Share Owners.

Approximately 38,500 GE manufacturing, engineering and service employees in the United States are represented for collective bargaining purposes by a total of approximately 170 different local collective bargaining groups. A majority of such employees is represented by union locals that are affiliated with, and bargain in conjunction with, the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers (IUE-AFL-CIO). During 1994, General Electric Company negotiated three-year contracts with unions representing a substantial majority of those United States employees who are represented by unions. Most of these contracts will terminate in June 1997. NBC is party to approximately 100 labor agreements covering about

2,000 staff employees (and a large number of freelance employees) in the United States. These agreements are with various labor unions, expire at various dates and are generally for a term of three to four years.

Executive Officers

See Part III, Item 10 of this 10-K Report for information about Executive Officers of the Registrant.

Other

Because of the diversity of the Company's products and services, as well as the wide geographic dispersion of its production facilities, the Company uses numerous sources for the wide variety of raw materials needed for its operations. The Company has not been adversely affected by inability to obtain raw materials.

The Company owns, or holds licenses to use, numerous patents. New patents are continuously being obtained through the Company's research and development activities as existing patents expire. Patented inventions are used both within the Company and licensed to others, but no industry segment is substantially dependent on any single patent or group of related patents.

About 3% of consolidated revenues in 1996 (4% of GE revenues) were from sales of goods and services to agencies of the U.S. government, which is the Company's largest single customer. About 2% of consolidated revenues in 1996 (3% of GE revenues) were defense-related sales of aircraft engine goods and services. In 1995, about 3% of consolidated revenues (4% of GE revenues) were from sales of goods and services to agencies of the U.S. government. About 2% of consolidated revenues in 1995 (3% of GE revenues) were defense-related sales of aircraft engine goods and services. In 1994, about 4% of consolidated revenues (5% of GE revenues) were from sales of goods and services to agencies of the U.S. government. About 3% of consolidated revenues in 1994 (4% of GE revenues) were defense-related sales of aircraft engine goods and services.

Item 2. Properties

Manufacturing operations are carried on at approximately 136 manufacturing plants located in 30 states in the United States and Puerto Rico and at some 124 manufacturing plants located in 25 other countries.

Item 3. Legal Proceedings

General

As previously reported, on March 12, 1993, a complaint was filed in United States District Court for the District of Connecticut by ten employees of the Company's former Aerospace business, purportedly on behalf of all GE Aerospace employees whose GE employment status is or was affected by the then planned transfer of GE Aerospace to a new company controlled by the stockholders of Martin Marietta Corporation. The complaint sought to clarify and enforce the plaintiffs' claimed rights to pension benefits in accordance with, and rights to assets then held in, the GE Pension Plan (the "Plan"). The complaint names the Company, the trustees of the GE Pension Trust ("Trust"), and Martin Marietta Corporation and one of its former plan administrators as defendants. The complaint alleged primarily that the Company's planned transfer of certain assets of the Trust to a Martin Marietta pension trust, in connection with the transfer of the Aerospace business, violated the rights of the plaintiffs under the Plan and applicable provisions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code. The complaint sought equitable and declaratory relief, including an injunction against transfer of the Plan assets except under circumstances and protections, if any, approved by the court, an order that the Company disgorge all profits allegedly received by it as a result of any such transfer and the making of restitution to the Trust for alleged investment losses resulting from the Company's treatment of Plan assets in connection with the transaction or alternatively the transfer of additional assets from the Trust to a

new Martin Marietta pension trust, and an order requiring Martin Marietta to continue to offer transferred employees all accrued pension-related benefits for which they were eligible under the Plan as of the closing date of the transfer of the GE Aerospace business to Martin Marietta. On March 23, 1993, the Company and Martin Marietta Corporation filed motions to dismiss the complaint on the basis that the complaint does not state any claim upon which relief can be granted as a matter of law. On April 2, 1993, the transfer of the Aerospace business occurred, and on June 7, 1993, the court issued an order denying plaintiffs' request for injunctive relief. On September 26, 1996, the District Court granted defendants' motion to dismiss those claims which were based on allegations that the transfer of plan assets was unlawful, and ordered discovery on the remaining claims.

As previously reported, the directors (other than Messrs. Calloway, Gonzalez, Nunn, Opie, Penske and Warner) and certain officers are defendants in a civil suit purportedly brought on behalf of the Company as a shareholder derivative action by Leslie McNeil, Harold Sachs, Arun Shingala and Paul and Harriet Luts (the McNeil action) in New York State Supreme Court on November 19, 1991. The suit alleges the Company was negligent and engaged in fraud in connection with the design and construction of containment systems for nuclear power plants and contends that, as a result, GE has incurred significant financial liabilities and is potentially exposed to additional liabilities from claims brought by the Company's customers. The suit alleges breach of fiduciary duty by the defendants and seeks unspecified compensatory damages and other relief. On March 31, 1992, the defendants filed motions to dismiss the suit. On September 28, 1992, the court denied the motions as premature but ruled that they may be renewed after the completion of limited discovery. Defendants moved for reconsideration of that order, and on April 3, 1993, the court granted defendants' motion for reconsideration and directed that discovery be stayed pending the filing of an amended complaint. Plaintiffs filed an amended complaint on March 18, 1994, alleging breach of fiduciary duty, waste and indemnification claims. The defendants' time for responding to the amended complaint has been extended until 30 days following the completion of discovery. The defendants believe the plaintiffs' claims are without merit.

As previously reported, following the Company's announcement on April 17, 1994, of a \$210 million charge to net earnings based upon its discovery of false trading profits at its indirect subsidiary, Kidder, Peabody & Co., Incorporated ("Kidder"), the United States Securities and Exchange Commission ("SEC"), the United States Attorney for the Southern District of New York, and the New York Stock Exchange initiated investigations relating to the false trading profits. On January 9, 1996, the SEC initiated administrative enforcement proceedings against the former head of Kidder's government securities trading desk, Joseph Jett, alleging that he engaged in securities fraud and other violations and against two of his former supervisors for failure to supervise. Also, two civil suits purportedly brought on behalf of the Company as shareholder derivative actions were filed in New York State Supreme Court in New York County. Both suits claim that the Company's directors breached their fiduciary duties to the Company by failing to adequately supervise and control the Kidder employee responsible for the irregular trading. One suit, claiming damages of over \$350 million, was filed on May 10, 1994, by the Teachers' Retirement System of Louisiana against the Company, its directors (other than Messrs. Dammerman, Nunn, Opie and Penske), Kidder, its parent, Kidder, Peabody Group Inc., and certain of Kidder's former officers and directors. The other suit was filed on June 3, 1994, by William Schrank and others against the Company's directors claiming unspecified damages and other relief. Both suits were consolidated in an amended complaint filed on March 6, 1995. On May 19, 1995, the Company and the director defendants moved to dismiss the amended consolidated complaint for failure to make a pre-litigation demand, among other reasons. On April 16, 1996, the court dismissed the amended consolidated complaint for failure to make a pre-litigation demand, and that decision has been appealed. In addition, various shareholders of the Company have filed two purported class action suits claiming that the Company and Kidder, and certain of Kidder's former officers and employees, allegedly violated federal securities laws by issuing statements concerning the Company's financial condition that included the false trading profits at Kidder, and seeking compensatory damages for shareholders who purchased the Company's stock beginning as early as January 1993. The defendants filed motions to dismiss these purported class action suits. On October 4, 1995, the court dismissed the complaint against the Company, but denied the motion to dismiss the complaint against Kidder. On November 3, 1995, the plaintiffs in the case against the Company appealed the trial court's dismissal of their complaint to the Second Circuit Court of Appeals, which affirmed the lower court decision.

The directors, other than Mr. Nunn, are defendants in a civil suit purportedly brought on behalf of the Company as a share owner derivative and class action (the Cohen action) in New York State Supreme Court, New York County, on September 18, 1996. The suit is based upon the Company's solicitation, in the 1996 proxy statement, of share owner approval of the 1996 Non-Employee Director Stock Option Plan. Under the Plan, which the share owners approved, 3,000 stock options will be granted annually to each of the Company's non-employee directors through 2003. Each annual grant entitles the director, for a period of 10 years from the date of the grant, to purchase 3,000 shares of GE stock from the Company at the market price of GE stock on the date of grant. The suit claims that the options would have an estimated value to the directors on the annual date of grant which should have been disclosed. The suit also claims that the directors breached their fiduciary duties because the 1996 proxy statement did not state that the options would have such an alleged, estimated value to the directors when granted. The suit seeks compensatory damages and invalidation of the Plan and all options granted under the Plan. The Company believes that the options have no value to the directors on the date of grant, that the options will have no value to the directors unless the GE stock price increases above the grant price, and that the 1996 proxy statement contained full and adequate disclosure because, among other things, any reasonable share owner would understand that the value of the options to the non-employee directors would only occur when and if the stock price rises above the grant price. The Company thus believes the claims are without merit and is defending the suit.

Environmental

As previously reported, in April 1996, the Environmental Protection Agency filed an action and stated that it was seeking \$300,000 in penalties for the Company's failure to adequately respond to an Agency information request in 1994. In December, 1996, the Company settled the matter for \$95,000.

As previously reported, in January 1995, the Louisiana Department of Environmental Quality announced that it was seeking a penalty of \$101,884 for alleged violations of its Groundwater Protection Act at the Company's New Orleans, Louisiana facility. In January, 1997, the Company settled the matter for a \$70,000 Supplemental Environmental Project.

It is the view of management that none of the above described proceedings will have a material effect on the Company's consolidated earnings, liquidity or competitive position.

For further information regarding environmental matters, see pages 44 and 58 of GE's 1996 Annual Report to Share Owners.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

Part II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

With respect to "Stock Exchange Information", in the United States, GE common stock is listed on the New York Stock Exchange (its principal market) and on the Boston Stock Exchange. GE common stock also is listed on certain foreign exchanges, including The Stock Exchange, London. Trading, as reported on the New York Stock Exchange, Inc., Composite Transactions Tape, and dividend information follows:

(In dollars)	Common stock market price		Dividends declared
	High	Low	
1996			
Fourth quarter	\$106 1/8	\$90 1/2	\$.52
Third quarter	92	77 7/8	.46
Second quarter	88 1/8	74 1/8	.46
First quarter	80 1/2	69 1/2	.46
1995			
Fourth quarter	\$73 1/8	\$61	\$.46
Third quarter	64 5/8	56 3/8	.41
Second quarter	59 1/4	53 3/8	.41
First quarter	56	49 7/8	.41

As of December 31, 1996, there were about 493,000 share owner accounts of record.

Item 6. Selected Financial Data

Reported as data for revenues; earnings from continuing operations; earnings from continuing operations per share; earnings (loss) from discontinued operations; effect of accounting change; net earnings; net earnings per share; dividends declared; dividends declared per share; long-term borrowings; and total assets of continuing operations appearing on page 45 of the Annual Report to Share Owners for the fiscal year ended December 31, 1996.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Reported on pages 34-36 and 38-44 (and graphs on pages 27, 34, 35, 38, 39, 40, 41, 42, 43 and 44) of the Annual Report to Share Owners for the fiscal year ended December 31, 1996.

Item 8. Financial Statements and Supplementary Data

See index under item 14.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Part III

Item 10. Directors and Executive Officers of Registrant

Executive Officers of the Registrant (As of March 21, 1997)

Name	Position	Age	Date assumed Executive Officer position
John F. Welch, Jr.	Chairman of the Board and Chief Executive Officer	61	April 1981
Philip D. Ameen	Vice President and Comptroller	48	April 1994
James R. Bunt	Vice President and Treasurer	55	January 1993
David L. Calhoun	Vice President, GE Transportation Systems	39	June 1995
William J. Conaty	Senior Vice President, Human Resources	51	October 1993
David M. Cote	Senior Vice President, GE Appliances	44	June 1996
Dennis D. Dammerman	Senior Vice President, Finance, and Chief Financial Officer	51	March 1984
Lewis S. Edelheit	Senior Vice President, Research and Development	54	November 1992
Paolo Fresco	Vice Chairman of the Board and Executive Officer	63	October 1987
Benjamin W. Heineman, Jr.	Senior Vice President, General Counsel and Secretary	53	September 1987
Jeffrey R. Immelt	Senior Vice President, GE Medical Systems	41	January 1997
William J. Lansing	Vice President, Business Development	38	October 1996
W. James McNerney, Jr.	Senior Vice President, GE Lighting	47	January 1992
Eugene F. Murphy	Senior Vice President, GE Aircraft Engines	61	October 1986
Robert L. Nardelli	Senior Vice President, GE Power Systems	48	February 1992
Robert W. Nelson	Vice President, Financial Planning and Analysis	56	September 1991
John D. Opie	Vice Chairman of the Board and Executive Officer	59	August 1986
Gary M. Reiner	Senior Vice President, Chief Information Officer	42	January 1991
Gary L. Rogers	Senior Vice President, GE Plastics	52	December 1989
James W. Rogers	Vice President, GE Motors and Industrial Systems	46	May 1991
Lloyd G. Trotter	Vice President, GE Electrical Distribution and Control	51	November 1992

All Executive Officers are elected by the Board of Directors for an initial term which continues until the first Board meeting following the next annual statutory meeting of share owners and thereafter are elected for one-year terms or until their successors have been elected.

All Executive Officers have been executives of GE for the last five years except Lewis S. Edelheit and William J. Lansing. Dr. Edelheit, who was an employee of GE from 1969 through 1985, was President and CEO of Quantum Medical Systems, Inc. (Quantum) from 1986 to August 1991, and thereafter Manager - Electronic Systems Research Center, GE Corporate Research and Development Laboratory, until November 1992. Quantum is a venture capital-backed medical ultrasound company that was acquired by Siemens A.G. in

July 1990. Mr. Lansing joined GE from Prodigy, Inc., where he was Chief Operating Officer. Prior to joining Prodigy in January of 1996, he had been with McKinsey & Company for nine years, most recently as a partner in the Stamford, Conn., office where his experience encompassed a variety of industries with a particular concentration in communications and technology. He also has practiced securities law at Davis Polk & Wardwell.

The remaining information called for by this item is incorporated by reference to "Election of Directors" in the definitive proxy statement relating to the registrant's Annual Meeting of Share Owners to be held April 23, 1997.

Item 11. Executive Compensation

Incorporated by reference to "Board of Directors and Committees," "Summary Compensation Table," "Stock Appreciation Rights and Stock Options" and "Retirement Benefits" in the definitive proxy statement relating to the registrant's Annual Meeting of Share Owners to be held April 23, 1997.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Incorporated by reference to "Information relating to Directors, Nominees and Executive Officers" in the registrant's definitive proxy statement relating to its Annual Meeting of Share Owners to be held April 23, 1997.

Item 13. Certain Relationships and Related Transactions

Incorporated by reference to "Certain Transactions" in the registrant's definitive proxy statement relating to its Annual Meeting of Share Owners to be held April 23, 1997.

Part IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

- (a)1. Financial statements applicable to General Electric Company and consolidated affiliates are contained on the page(s) indicated in the GE Annual Report to Share Owners for the fiscal year ended December 31, 1996.

	Annual Report <u>Page(s)</u>	10-K Report <u>Page(s)</u>
Statement of earnings for the years ended December 31, 1996, 1995 and 1994	28	F-2
Statement of financial position at December 31, 1996 and 1995	30	F-4
Statement of cash flows for the years ended December 31, 1996, 1995 and 1994	32	F-6
Independent Auditors' Report	46	F-20
Other financial information:		
Notes to consolidated financial statements	47-66	F-21 to F-40
Industry segment information	35-37	F-9 to F-11
	62-63	F-36 to F-37
Geographic segment information	64	F-38
Operations by quarter (unaudited)	66	F-40

(a)2. Financial Statement Schedule for General Electric Company and consolidated affiliates.

<u>Schedule</u>	<u>Page</u>
II Valuation and Qualifying Accounts	F-41

The schedules listed in Reg. 210.5-04, except those listed above, have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(a)3. Exhibit Index

- (3) Restated Certificate of Incorporation, as amended, and By-laws, as amended, of General Electric Company. (Incorporated by reference to Exhibit of the same number to General Electric Form 8-K (Commission file number 1-35) filed with the Commission April 28, 1994.)
- (4) Agreement to furnish to the Securities and Exchange Commission upon request a copy of instruments defining the rights of holders of certain long-term debt of the registrant and consolidated subsidiaries. (Incorporated by reference to Exhibit of the same number to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1994.)
- (10) All of the following exhibits consist of Executive Compensation Plans or Arrangements:
 - (a) General Electric Incentive Compensation Plan, as amended effective July 1, 1991. (Incorporated by reference to Exhibit of the same number to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1991.)

- (b) General Electric 1983 Stock Option-Performance Unit Plan. (Incorporated by reference to Exhibit of the same number to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1988.)
- (c) General Electric Supplementary Pension Plan, as amended effective July 1, 1991. (Incorporated by reference to Exhibit 10(e) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1991.)
- (d) Amendment to General Electric Supplementary Pension Plan dated May 22, 1992. (Incorporated by reference to Exhibit 10(d) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1992.)
- (e) Amendment to General Electric Supplementary Pension Plan, dated September 10, 1993. (Incorporated by reference to Exhibit 10(e) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1993.)
- (f) Amendment to General Electric Supplementary Pension Plan, dated July 1, 1994. (Incorporate by reference to Exhibit of the same number to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1994.)
- (g) General Electric Deferred Compensation Plan for Directors, as amended May 25, 1990. (Incorporated by reference to Exhibit 10(f) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1990.)
- (h) General Electric Insurance Plan for Directors. (Incorporated by reference to Exhibit 10(i) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1980.)
- (i) General Electric Financial Planning Program, as amended through September 1993. (Incorporated by reference to Exhibit 10(h) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1993.)
- (j) General Electric Supplemental Life Insurance Program, as amended February 8, 1991. (Incorporated by reference to Exhibit 10(i) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1990.)
- (k) General Electric Directors' Retirement and Optional Life Insurance Plan. (Incorporated by reference to Exhibit 10(j) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1986.)
- (l) General Electric 1987 Executive Deferred Salary Plan. (Incorporated by reference to Exhibit 10(k) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1987.)

- (m) General Electric 1989 Stock Option Plan for Non-Employee Directors. (Incorporated by reference to Exhibit A to the General Electric Proxy Statement for its Annual Meeting of Share Owners held on April 26, 1989.)
 - (n) General Electric 1990 Long-Term Incentive Plan. (Incorporated by reference to Exhibit A to the General Electric Proxy Statement for its Annual Meeting of Share Owners held April 25, 1990.)
 - (o) General Electric 1991 Executive Deferred Salary Plan. (Incorporated by reference to Exhibit 10(n) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1990.)
 - (p) General Electric 1994 Executive Deferred Salary Plan. (Incorporated by reference to Exhibit 10(o) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1993.)
 - (q) General Electric Directors' Charitable Gift Plan, as amended through May 1993. (Incorporated by reference to Exhibit 10(p) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1993.)
 - (r) Restated Employment Agreement, dated January 2, 1992, and Restated U.K. Employment Agreement, dated January 3, 1992, in each case between the registrant and P. Fresco, an Executive Officer and Director of the registrant. (Incorporated by reference to Exhibit 10(o) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1992.)
 - (s) General Electric Leadership Life Insurance Program, effective January 1, 1994. (Incorporated by reference to Exhibit 10(r) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1993.)
 - (t) General Electric 1996 Stock Option Plan for Non-Employee Directors. (Incorporated by reference to Exhibit A to the General Electric Proxy Statement for its Annual Meeting of Share Owners held on April 24, 1996.)
 - (u) General Electric 1995 Executive Deferred Salary Plan. (Incorporated by reference to Exhibit 10(t) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1995.)
 - (v) General Electric 1996 Executive Deferred Salary Plan.*
 - (w) Employee and Post-Retirement Consulting Agreement Between General Electric Company and John F. Welch, Jr.*
- (11) Statement re Compilation of Per Share Earnings.*
- (12) Computation of Ratio of Earnings to Fixed Charges.*
- (21) Subsidiaries of Registrant.*

(23) Consent of independent auditors incorporated by reference in each Prospectus constituting part of the Registration Statements on Form S-3 (Registration Nos. 33-29024, 33-3908, 33-35922, 33-44593, 33-39596, 33-39596-01, 33-47085, 33-50639, 33-61029, 33-61029-01), on Form S-4 (Registration No. 333-01947) and on Form S-8 (Registration Nos. 33-2-84145, 33-35922, 33-47500, 33-49053, and 333-01953).*

(24) Power of Attorney.*

(27) Financial Data Schedule.*

(99)(a) Income Maintenance Agreement, dated March 28, 1991, between the registrant and General Electric Capital Corporation. (Incorporated by reference to Exhibit 28(a) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1990.)

(99)(b) Undertaking for Inclusion in Registration Statements on Form S-8 of General Electric Company. (Incorporated by reference to Exhibit 99(b) to General Electric Annual Report on Form 10-K (Commission file number 1-35) for the fiscal year ended December 31, 1992.)

* Filed electronically herewith.

(b) Reports on Form 8-K during the quarter ended December 31, 1996.

Form 8-K Current Report (Item 5) dated December 20, 1996, announced that on December 19, 1996, GE's Board of Directors voted to increase the Company's quarterly dividend, and to increase and extend its share repurchase program. The Board also recommended a two-for-one split of GE stock, a proposal that will be voted upon at the 1997 Annual Meeting of Share Owners to be held on April 23, 1997.

Signatures

Pursuant to the requirements of Section 13 of the Securities and Exchange Act of 1934, the registrant has duly caused this annual report on Form 10-K for the fiscal year ended December 31, 1996, to be signed on its behalf by the undersigned, and in the capacities indicated, thereunto duly authorized in the Town of Fairfield and State of Connecticut on the 21st day of March 1997.

General Electric Company
(Registrant)

By /s/ Dennis D. Dammerman
Dennis D. Dammerman
Senior Vice President-Finance
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signer</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Dennis D. Dammerman</u> Dennis D. Dammerman Senior Vice President - Finance	Principal Financial Officer	March 21, 1997
<u>/s/ Philip D. Ameen</u> Philip D. Ameen Vice President and Comptroller	Principal Accounting Officer	March 21, 1997
John F. Welch, Jr.*	Chairman of the Board of Directors (Principal Executive Officer)	
D. Wayne Calloway*	Director	
Dennis D. Dammerman*	Director	
Paolo Fresco*	Director	
Robert E. Mercer*	Director	
Sam Nunn*	Director	
John D. Opie*	Director	
Roger S. Penske*	Director	
Barbara Scott Preiskel*	Director	
Douglas A. Warner III*	Director	

A majority of the Board of Directors

*By /s/ Benjamin W. Heineman, Jr.
Benjamin W. Heineman, Jr.
Attorney-in-fact
March 21, 1997

Financial Statements and Management's Discussion and Analysis filed electronically with this 10-K also appear in the 1996 General Electric company Annual Report to Share Owners.

General Electric Company and Consolidated Affiliates
Schedule II
Valuation and Qualifying Accounts

(Amounts in millions)

	<u>GE allowance for losses deducted from assets</u>	
	<u>Accounts and notes receivable</u>	<u>Investments</u>
Balance, January 1, 1994	\$198 (a)	\$109
Provisions charged to operations	55	11
Write-offs	<u>(10)</u>	<u>(56)</u>
Balance, December 31, 1994	\$243 (a)	\$64
Provisions charged to operations	57	27
Write-offs	<u>(39)</u>	<u>(3)</u>
Balance, December 31, 1995	\$261 (a)	\$ 88
Provisions charged to Operations	99	3
Write-offs	<u>(92)</u>	<u>(16)</u>
Balance, December 31, 1996	<u>\$268</u>	<u>\$ 75</u>

(a) The year-end balance is segregated on the Statement of Financial Position as follows:

	<u>1996</u>	<u>1995</u>	<u>1994</u>
Current receivables	\$240	\$231	\$205
All other assets (long-term receivables, customer financing, etc.)	<u>28</u>	<u>30</u>	<u>38</u>
	<u>\$268</u>	<u>\$261</u>	<u>\$243</u>

Reference is made to note 8 in Notes to Consolidated Financial Statements appearing in the 1996 Annual Report to Share Owners, which contains information with respect to GECS allowance for losses on financing receivables for 1996, 1995 and 1994.

General Electric Company
Computation of Per Share Earnings

(Shares in thousands; dollar amounts, except earnings per share, in millions)

	Earnings per common share	Primary earnings per share	Fully diluted earnings per share
Twelve months ended December 31, 1996			
Net earnings applicable to common stock	\$ 7,280	\$ 7,280	\$ 7,280
Dividend equivalents (net of tax) applicable to deferred incentive compensation shares	—	9	9
Earnings for per-share calculations	<u>\$ 7,280</u>	<u>\$ 7,289</u>	<u>\$ 7,289</u>
Average number of shares outstanding	1,653,697	1,653,697	1,653,697
Average number of deferred incentive compensation shares	—	7,724	7,724
Average stock option shares	—	21,753	25,948
Average number of restricted stock units	—	2,186	2,426
Shares for earnings calculation	<u>1,653,697</u>	<u>1,685,360</u>	<u>1,689,795</u>
Earnings per share	<u><u>\$ 4.40</u></u>	<u><u>\$ 4.32</u></u>	<u><u>\$ 4.31</u></u>
Twelve months ended December 31, 1995			
Net earnings applicable to common stock	\$ 6,573	\$ 6,573	\$ 6,573
Dividend equivalents (net of tax) applicable to deferred incentive compensation shares	—	9	9
Earnings for per-share calculations	<u>\$ 6,573</u>	<u>\$ 6,582</u>	<u>\$ 6,582</u>
Average number of shares outstanding	1,683,812	1,683,812	1,683,812
Average number of deferred incentive compensation shares	—	8,188	8,188
Average stock option shares	—	13,572	19,759
Average number of restricted stock units	—	1,303	1,574
Shares for earnings calculation	<u>1,683,812</u>	<u>1,706,875</u>	<u>1,713,333</u>
Earnings per share	<u><u>\$ 3.90</u></u>	<u><u>\$ 3.86</u></u>	<u><u>\$ 3.84</u></u>

Twelve months ended December 31, 1994	<u>Earnings per common share</u>	<u>Primary earnings per share</u>	<u>Fully diluted earnings per share</u>
Net earnings applicable to common stock	\$ 4,726	\$ 4,726	\$ 4,726
Dividend equivalents (net of tax) applicable to deferred incentive compensation shares	—	8	8
Earnings for per-share calculations	<u>\$ 4,726</u>	<u>\$ 4,734</u>	<u>\$ 4,734</u>
Average number of shares outstanding	1,708,738	1,708,738	1,708,738
Average number of deferred incentive compensation shares	—	8,555	8,555
Average stock option shares	—	9,605	10,452
Average number of restricted stock units	—	1,126	1,163
Shares for earnings calculation	<u>1,708,738</u>	<u>1,728,024</u>	<u>1,728,908</u>
Earnings per share	<u>\$ 2.77</u>	<u>\$ 2.74</u>	<u>\$ 2.74</u>

General Electric Company
Ratio of Earnings to Fixed Charges

(Dollars in millions)

	Year ended December 31				
	1992	1993	1994	1995	1996
GE except GECS					
Earnings (a)	\$ 5,582	\$ 5,511	\$ 7,828	\$ 8,696	\$ 9,677
Less: Equity in undistributed earnings of General Electric Capital Services, Inc. (b)	(831)	(957)	(1,181)	(1,324)	(1,836)
Plus: Interest and other financial charges included in expense	768	525	410	649	595
One-third of rental expense (c)	228	212	171	174	171
Adjusted "earnings"	<u>\$ 5,747</u>	<u>\$ 5,291</u>	<u>\$ 7,228</u>	<u>\$ 8,195</u>	<u>\$ 8,607</u>
Fixed Charges:					
Interest and other financial charges	\$ 768	\$ 525	\$ 410	\$ 649	\$ 595
Interest capitalized	29	21	21	13	19
One-third of rental expense (c)	228	212	171	174	171
Total fixed charges	<u>\$ 1,025</u>	<u>\$ 758</u>	<u>\$ 602</u>	<u>\$ 836</u>	<u>\$ 785</u>
Ratio of earnings to fixed charges	<u>5.61</u>	<u>6.98</u>	<u>12.01</u>	<u>9.80</u>	<u>10.96</u>
 General Electric Company and consolidated affiliates					
Earnings (a)	\$ 6,026	\$ 6,287	\$ 8,831	\$ 9,941	\$ 11,075
Plus: Interest and other financial charges included in expense	4,512	4,096	4,994	7,336	7,939
One-third of rental expense (c)	320	349	327	349	353
Adjusted "earnings"	<u>\$ 10,858</u>	<u>\$ 10,732</u>	<u>\$ 14,152</u>	<u>\$ 17,626</u>	<u>\$ 19,367</u>
Fixed Charges:					
Interest and other financial charges	\$ 4,512	\$ 4,096	\$ 4,994	\$ 7,336	\$ 7,939
Interest capitalized	35	26	30	34	60
One-third of rental expense (c)	320	349	327	349	353
Total fixed charges	<u>\$ 4,867</u>	<u>\$ 4,471</u>	<u>\$ 5,351</u>	<u>\$ 7,719</u>	<u>\$ 8,352</u>
Ratio of earnings to fixed charges	<u>2.23</u>	<u>2.40</u>	<u>2.64</u>	<u>2.28</u>	<u>2.32</u>

(a) Earnings before income taxes and minority interest. For 1993, earnings are before cumulative effect of a change in accounting principle.

(b) Earnings after income taxes, net of dividends.

(c) Considered to be representative of interest factor in rental expense.

Subsidiaries of Registrant

General Electric's principal affiliates as of December 31, 1996, are listed below. All other affiliates, if considered in the aggregate as a single affiliate, would not constitute a significant affiliate.

Affiliates of Registrant included in Registrant's Financial Statements.

	Percentage of voting securities owned by the immediate <u>parent (1)</u>	State or country of incorporation or <u>organization</u>
Caribe General Electric Products, Inc.	100	Delaware
General Electric Canadian Holdings Limited	100	Canada
General Electric Capital Services, Inc.	100	Delaware
General Electric Capital Corporation	100	New York
GE Global Insurance Holding Corporation	100	Missouri
GE Engine Services Distribution, LLC	100	Delaware
GE Information Services, Inc.	100	Delaware
General Electric International, Inc.	100	Delaware
General Electric Plastics B.V.	100	Netherlands
GE Plastics Pacific Pte. Ltd.	100	Singapore
GE Yokogawa Medical Systems, Ltd.	75	Japan
National Broadcasting Company, Inc.	100	Delaware
Nuovo Pignone SpA	81	Italy

Notes

- (1) With respect to certain companies, shares in names of nominees and qualifying shares in names of directors are included in above percentages.

Consent of Independent Auditors

The Board of Directors
General Electric Company

We consent to the incorporation by reference in the registration statements Nos. 33-29024, 33-3908, 33-35922, 33-44593, 33-39596, 33-39596-01, 33-47085, 33-50639, 33-61029, 33-61029-01 on Form S-3; No. 333-01947 on Form S-4; and Nos. 33-2-84145, 33-35922, 33-47500, 33-49053, and 333-01953 on Form S-8 of General Electric Company of our report dated February 7, 1997, relating to the consolidated financial position of General Electric Company and consolidated affiliates as of December 31, 1996 and 1995, and the related consolidated statements of earnings and cash flows for each of the years in the three-year period ended December 31, 1996, and the related schedule, which report appears in the December 31, 1996, annual report on Form 10-K of General Electric Company.

KPMG Peat Marwick LLP
Stamford, Connecticut

March 21, 1997

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

The Board of Directors
General Electric Company:

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and Management of General Electric Company, solely to assist you in connection with the filing of selected financial information included in "Alternative II" of your letter dated March 17, 1997 to the United States Environmental Protection Agency regarding corrective action. This engagement to apply agreed-upon procedures was performed in accordance with the standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board of Directors and Management of General Electric Company. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- Tangible Net Worth - We compared the dollar amount of tangible net worth, \$15,118,000 thousand, as shown in Item 5, to the difference between Total Share Owners' Equity, \$31,125,000 thousand, and Intangible Assets, \$16,007,000 thousand, each reflected in the Statement of Financial Position on page 30 of the Company's 1996 Annual Report, and found such amounts to be in agreement.
- Total Assets in the United States - We compared the Company's Total Assets in the United States, \$189,593,000 thousand, as shown in Item 6, to the Company's Total Assets in the United States reflected in Note 29 - Geographic Segment Information on page 64 of the Company's 1996 Annual Report, and found such amounts to be in agreement.
- Are at Least 90% of Assets Located in the United States? - We divided the Company's Total Assets in the United States, \$189,593,000 thousand, reflected in Note 29 - Geographic Segment Information on page 64 of the Company's 1996 Annual Report by the Company's Total Assets, \$272,402,000 thousand reflected in the Statement of Financial Position on page 30 of the Company's 1996 Annual Report, and found that the Company's Total Assets in the United States were less than 90% of the Company's Total Assets. Accordingly, we agree with the Company's response of "No" in Item 9.

KPMG Peat Marwick LLP

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Board of Directors and Management of General Electric Company, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

March 17, 1997

KPMG Peat Marwick LLP