



# GE 4Q'18 Supplemental Information

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### NON-GAAP SUPPLEMENTAL 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 U.S. Securities and Exchange Commission rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures are included in the CEO letter supplemental information package posted to the investor relations section of our website at [www.ge.com](http://www.ge.com).

<b>GE INDUSTRIAL SEGMENT ORGANIC REVENUES (NON-GAAP)</b> <i>(In millions)</i>	2018	2017	V%
GE Industrial segment revenues (GAAP)	\$ 115,664	\$ 113,168	2 %
Adjustments:			
Less: acquisitions	5,589	92	
Less: business dispositions (other than dispositions acquired for investment)	138	3,857	
Less: currency exchange rate(a)	597	—	
<b>GE Industrial segment organic revenues (Non-GAAP)</b>	<b>\$ 109,340</b>	<b>\$ 109,220</b>	<b>— %</b>

(a) Translational foreign exchange

Organic revenues\* measure revenues excluding the effects of acquisitions, business dispositions and currency exchange rates. We believe that this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and currency exchange, which activities are subject to volatility and can obscure underlying trends. We also believe that presenting organic revenues\* separately for our industrial businesses provides management and investors with useful information about the trends of our industrial businesses and enables a more direct comparison to other non-financial businesses and companies. Management recognizes that the term "organic revenues" may be interpreted differently by other companies and under different circumstances. Although this may have an effect on comparability of absolute percentage growth from company to company, we believe that these measures are useful in assessing trends of the respective businesses or companies and may therefore be a useful tool in assessing period-to-period performance trends.

When comparing revenue growth between periods excluding the effects of acquisitions, business dispositions and currency exchange rates, those effects are different when comparing results for different periods. Revenues from acquisitions are considered inorganic from the date we complete an acquisition through the end of the fourth quarter following the acquisition and are therefore reflected as an adjustment to reported revenue to derive organic revenue for the period following the acquisition. In subsequent periods, the revenues from the acquisition become organic as these revenues are included for all periods presented.

**GE INDUSTRIAL FREE CASH FLOWS (FCF) AND ADJUSTED GE INDUSTRIAL FCF (NON-GAAP)** *(In millions)*

	2018	2017	V\$
GE CFOA (GAAP)	\$ 2,258	\$ 11,033	(8,776)
Add: gross additions to property, plant and equipment	(3,302)	(4,132)	
Add: gross additions to internal-use software	(347)	(518)	
Less: common dividends from GE Capital	—	4,016	
Less: GE Pension Plan funding	(6,000)	(1,717)	
Less: taxes related to business sales	(180)	(229)	
<b>GE Industrial Free Cash Flows (Non-GAAP)</b>	<b>\$ 4,789</b>	<b>\$ 4,313</b>	<b>476</b>
Less: Oil & Gas CFOA	1,763	(477)	
Less: Oil & Gas gross additions to property, plant and equipment	(964)	(488)	
Less: Oil & Gas gross additions to internal-use software	(31)	(34)	
Add: BHGE Class B shareholder dividend	494	251	
<b>Adjusted GE Industrial Free Cash Flows (Non-GAAP)</b>	<b>\$ 4,515</b>	<b>\$ 5,562</b>	<b>(1,047)</b>

In 2018, GE transitioned from reporting an Adjusted GE Industrial CFOA metric to measuring itself on a GE Industrial Free Cash Flows basis\*. This metric includes GE CFOA plus investments in property, plant and equipment and additions to internal-use software; this metric excludes any dividends received from GE Capital and any cash received from dispositions of property, plant and equipment.

We believe that investors may also find it useful to compare GE's Industrial free cash flows\* performance without the effects of cash used for taxes related to business sales and contributions to the GE Pension Plan. We believe that this measure will better allow management and investors to evaluate the capacity of our industrial operations to generate free cash flows. In addition, we report Adjusted GE Industrial Free Cash Flows\* in order to provide a more fair representation of the cash that we are entitled to utilize in a given period. We also use Adjusted GE Industrial Free Cash Flows\* as a performance metric at the company-wide level for our annual executive incentive plan for 2018.

Management recognizes that the term free cash flows may be interpreted differently by other companies and under different circumstances. Although this may have an effect on comparability of absolute percentage growth from company to company, we believe that these measures are useful in assessing trends of the respective businesses or companies and may therefore be a useful tool in assessing period-to-period performance trends.

\*Non-GAAP Financial Measure

**ADJUSTED GE INDUSTRIAL PROFIT AND PROFIT MARGIN (EXCLUDING CERTAIN ITEMS) (NON-GAAP)** (Dollars in millions)

	2018	2017	V%
GE total revenues (GAAP)	\$ 113,642	\$ 111,255	2 %
<b>Costs</b>			
GE total costs and expenses (GAAP)	135,656	111,710	21 %
Less: GE interest and other financial charges	2,708	2,753	
Less: non-operating benefit costs	2,764	2,385	
Less: restructuring & other	3,487	3,923	
Less: goodwill impairments	22,136	1,165	
Add: noncontrolling interests	(129)	(368)	
Adjusted GE Industrial costs (Non-GAAP)	104,432	101,116	3 %
<b>Other Income</b>			
GE other income (GAAP)	2,255	1,937	16 %
Less: restructuring & other	(87)	(107)	
Less: gains (losses) and impairments for disposed or held for sale businesses	1,350	926	
Adjusted GE other income (Non-GAAP)	992	1,118	(11) %
<b>GE Industrial profit (GAAP)</b>	\$ (19,759)	\$ 1,482	
<b>GE Industrial profit margin (GAAP)</b>	(17.4)%	1.3%	(18.7) pts
<b>Adjusted GE Industrial profit (Non-GAAP)</b>	\$ 10,203	\$ 11,257	(9) %
<b>Adjusted GE Industrial profit margin (Non-GAAP)</b>	9.0 %	10.1%	(1.1) pts

We have presented our Adjusted GE Industrial profit\* and profit margin\* excluding interest and other financial charges, non-operating benefit costs, restructuring & other, goodwill impairments, non-controlling interests and gains (losses) and impairments for disposed or held for sale businesses. We believe that GE Industrial profit and profit margins adjusted for these items are meaningful measures because they increase the comparability of period-to-period results.

\*Non-GAAP Financial Measure

CEO LETTER SUPPLEMENT

<b>ADJUSTED EARNINGS (LOSS) (NON-GAAP)</b> <i>(In millions)</i>	2018	2017	V%
Consolidated earnings (loss) from continuing operations attributable to GE common shareowners (GAAP)	\$ (21,076)	\$ (8,605)	U
Less: GE Capital earnings (loss) from continuing operations attributable to GE common shareowners (GAAP)	(489)	(6,765)	
<b>GE Industrial earnings (loss) (Non-GAAP)</b>	<b>(20,587)</b>	<b>(1,841)</b>	<b>U</b>
Non-operating benefits costs (pre-tax) (GAAP)	(2,764)	(2,385)	
Tax effect on non-operating benefit costs(a)	581	835	
Less: non-operating benefit costs (net of tax)	(2,184)	(1,550)	
Gains (losses) and impairments for disposed or held for sale businesses (pre-tax)	1,350	926	
Tax effect on gains (losses) and impairments for disposed or held for sale businesses(b)	(375)	(62)	
Less: gains (losses) and impairments for disposed or held for sale businesses (net of tax)	974	864	
Restructuring & other (pre-tax)	(3,440)	(4,030)	
Tax effect on restructuring & other(b)	492	1,252	
Less: restructuring & other (net of tax)	(2,948)	(2,778)	
Goodwill impairments (pre-tax)	(22,136)	(1,165)	
Tax effect on goodwill impairments(b)	(235)	9	
Less: goodwill impairments (net of tax)	(22,371)	(1,156)	
Less: GE Industrial U.S. tax reform enactment adjustment	(38)	(4,905)	
<b>Adjusted GE Industrial earnings (loss) (Non-GAAP)</b>	<b>\$ 5,980</b>	<b>\$ 7,685</b>	<b>(22)%</b>
GE Capital earnings (loss) from continuing operations attributable to GE common shareowners (GAAP)	(489)	(6,765)	93%
EFS impairments and insurance charge (pre-tax)	—	(11,444)	
Tax effect on EFS impairments and insurance charge(b)	—	3,501	
Less: EFS impairments and insurance charge (net of tax)	—	(7,943)	
Less: GE Capital U.S. tax reform enactment adjustment	(173)	206	
<b>Adjusted GE Capital earnings (loss) (Non-GAAP)</b>	<b>\$ (316)</b>	<b>\$ 972</b>	<b>U</b>
<b>Adjusted GE Industrial earnings (loss) (Non-GAAP)</b>	<b>\$ 5,980</b>	<b>\$ 7,685</b>	<b>(22)%</b>
<b>Add: Adjusted GE Capital earnings (loss) (Non-GAAP)</b>	<b>(316)</b>	<b>972</b>	<b>U</b>
<b>Adjusted earnings (loss) (Non-GAAP)</b>	<b>\$ 5,664</b>	<b>\$ 8,657</b>	<b>(35)%</b>

(a) The tax effect was calculated using a 21% and 35% U.S. federal statutory tax rate in 2018 and 2017, respectively, based on its applicability to such cost.

(b) The tax effect presented includes both the rate for the relevant item as well as other direct and incremental tax charges.

Adjusted earnings (loss)\* excludes non-operating benefit costs, gains (losses) and impairments for disposed or held for sale businesses, restructuring and other, goodwill impairments and GE Capital EFS impairments and insurance charge in 2017, after-tax, excluding the effects of U.S. tax reform enactment adjustment. The service cost of our pension and other benefit plans are included in adjusted earnings\*, which represents the ongoing cost of providing pension benefits to our employees. The components of non-operating benefit costs are mainly driven by capital allocation decisions and market performance, and we manage these separately from the operational performance of our businesses. Gains and restructuring and other items are impacted by the timing and magnitude of gains associated with dispositions, and the timing and magnitude of costs associated with restructuring activities. Prior to the third quarter of 2018, goodwill impairment was included as a component of restructuring and other charges; beginning in the third quarter of 2018, on a comparable basis, we reported it separately in our consolidated Statement of Earnings (Loss) because of the significance of the charge that quarter, and Adjusted earnings (loss)\* continues to exclude amounts related to goodwill impairment separate from the ongoing operations of our businesses. We believe that the retained costs in Adjusted earnings (loss)\* provides management and investors a useful measure to evaluate the performance of the total company, and increases period-to-period comparability. We believe that presenting Adjusted Industrial earnings (loss)\* separately from our financial services businesses also provides management and investors with useful information about the relative size of our industrial and financial services businesses in relation to the total company.

CEO LETTER SUPPLEMENT

<b>ADJUSTED EARNINGS (LOSS) PER SHARE (NON-GAAP)</b>	2018	2017	V%
Consolidated EPS from continuing operations attributable to GE common shareowners (GAAP)	\$ (2.43)	\$ (0.99)	U
Less: GE Capital EPS from continuing operations attributable to GE common shareowners (GAAP)	(0.06)	(0.78)	
<b>GE Industrial EPS (Non-GAAP)</b>	<b>(2.37)</b>	<b>(0.21)</b>	<b>U</b>
Non-operating benefits costs (pre-tax) (GAAP)	(0.32)	(0.27)	
Tax effect on non-operating benefit costs(a)	0.07	0.10	
Less: non-operating benefit costs (net of tax)	(0.25)	(0.18)	
Gains (losses) and impairments for disposed or held for sale businesses (pre-tax)	0.16	0.11	
Tax effect on gains (losses) and impairments for disposed or held for sale businesses(b)	(0.04)	(0.01)	
Less: gains (losses) and impairments for disposed or held for sale businesses (net of tax)	0.11	0.10	
Restructuring & other (pre-tax)	(0.40)	(0.46)	
Tax effect on restructuring & other(b)	0.06	0.14	
Less: restructuring & other (net of tax)	(0.34)	(0.32)	
Goodwill impairments (pre-tax)	(2.55)	(0.13)	
Tax effect on goodwill impairments(b)	(0.03)	—	
Less: goodwill impairments (net of tax)	(2.57)	(0.13)	
Less: GE Industrial U.S. tax reform enactment adjustment	—	(0.56)	
<b>Adjusted GE Industrial EPS (Non-GAAP)</b>	<b>\$ 0.69</b>	<b>\$ 0.88</b>	<b>(22)%</b>
GE Capital EPS from continuing operations attributable to GE common shareowners (GAAP)	(0.06)	(0.78)	92%
EFS impairments and insurance charge (pre-tax)	—	(1.32)	
Tax effect on EFS impairments and insurance charge(b)	—	0.40	
Less: EFS impairments and insurance charge (net of tax)	—	(0.91)	
Less: GE Capital U.S. tax reform enactment adjustment	(0.02)	0.02	
<b>Adjusted GE Capital EPS (Non-GAAP)</b>	<b>\$ (0.04)</b>	<b>\$ 0.11</b>	<b>U</b>
<b>Adjusted GE Industrial EPS (Non-GAAP)</b>	<b>\$ 0.69</b>	<b>\$ 0.88</b>	<b>(22)%</b>
<b>Add: Adjusted GE Capital EPS (Non-GAAP)</b>	<b>(0.04)</b>	<b>0.11</b>	<b>U</b>
<b>Adjusted EPS (Non-GAAP)(c)</b>	<b>\$ 0.65</b>	<b>\$ 1.00</b>	<b>(35)%</b>

(a) The tax effect was calculated using a 21% and 35% U.S. federal statutory tax rate in 2018 and 2017, respectively, based on its applicability to such cost.

(b) The tax effect presented includes both the rate for the relevant item as well as other direct and incremental tax charges.

(c) Earnings-per-share amounts are computed independently. As a result, the sum of per-share amounts may not equal the total.

Adjusted EPS\* excludes non-operating benefit costs, gains (losses) and impairments for disposed or held for sale businesses, restructuring and other, goodwill impairments and GE Capital EFS impairments and insurance charge in 2017, after-tax, excluding the effects of U.S. tax reform enactment adjustment. The service cost of our pension and other benefit plans are included in adjusted earnings\*, which represents the ongoing cost of providing pension benefits to our employees. The components of non-operating benefit costs are mainly driven by capital allocation decisions and market performance, and we manage these separately from the operational performance of our businesses. Gains and restructuring and other items are impacted by the timing and magnitude of gains associated with dispositions, and the timing and magnitude of costs associated with restructuring activities. Prior to the third quarter of 2018, goodwill impairment was included as a component of restructuring and other charges; beginning in the third quarter of 2018, on a comparable basis, we reported it separately in our consolidated Statement of Earnings (loss) because of the significance of the charge that quarter, and Adjusted EPS\* continues to exclude amounts related to goodwill impairment separate from the ongoing operations of our businesses. We believe that the retained costs in Adjusted EPS\* provides management and investors a useful measure to evaluate the performance of the total company, and increases period-to-period comparability. We also use Adjusted EPS\* as a performance metric at the company level for our annual executive incentive plan for 2018. We believe that presenting Adjusted EPS\* separately from our financial services businesses also provides management and investors with useful information about the relative size of our industrial and financial services businesses in relation to the total company.

<b>GE INDUSTRIAL NET DEBT (NON-GAAP)</b> <i>(Dollars in millions)</i>	December 31, 2018	
Total GE short- and long-term borrowings (GAAP)	\$	68,570
Less: GE Capital short- and long-term debt assumed by GE		36,262
Less: BHGE total borrowings		6,330
Add: intercompany loans from GE Capital		13,749
<b>Total adjusted GE borrowings</b>		<b>39,727</b>
Total pension and retiree benefit plan liabilities (pre-tax)(a)		27,159
Less: taxes at 21%		5,703
<b>Total pension and retiree benefit plan liabilities (net of tax)</b>		<b>21,456</b>
GE rental expense for the year ended December 31, 2018		1,850
Multiply by 3		3
<b>Total operating lease obligations</b>		<b>5,550</b>
Less: BHGE rental expense for the year ended December 31, 2018 multiplied by 3		1,682
<b>Total operating lease obligations excluding BHGE</b>		<b>3,868</b>
GE preferred stock		5,573
Less: 50% of GE preferred stock		2,787
<b>50% of preferred stock</b>		<b>2,787</b>
Deduction for total GE cash, cash equivalents and restricted cash		(20,528)
Less: BHGE cash, cash equivalents and restricted cash		(3,723)
<b>Deduction for total GE cash, cash equivalents and restricted cash, excluding BHGE</b>		<b>(16,805)</b>
Less: 25% of GE cash, cash equivalents and restricted cash, excluding BHGE		(4,201)
<b>Deduction for 75% of GE cash, cash equivalents and restricted cash, excluding BHGE</b>		<b>(12,604)</b>
<b>Total GE Industrial net debt (Non-GAAP)</b>	<b>\$</b>	<b>55,233</b>

(a) Represents the total underfunded status of Principal pension plans (\$18,491 million), Other pension plans (\$3,877 million), and Retiree health and life benefit plans (\$4,791 million).

In this document we use GE industrial net debt\*, which is calculated based on rating agency methodologies. There is significant uncertainty around the timing and events that could give rise to items included in the determination of this metric, including the timing of pension funding, proceeds from dispositions, and the impact of interest rates on our pension assets and liabilities. We are including the calculation of GE industrial net debt\* to provide investors more clarity regarding how the credit rating agencies measure GE industrial leverage.

<b>HEALTHCARE SEGMENT ORGANIC REVENUES (NON-GAAP)</b> <i>(In millions)</i>	2018	2017	V%
Healthcare reported segment revenues (GAAP)	\$ 19,784	\$ 19,017	4 %
Adjustments:			
Less: acquisitions	6	1	
Less: business dispositions (other than dispositions acquired for investment)	13	267	
Less: currency exchange rate(a)	152	—	
<b>Healthcare segment organic revenues (Non-GAAP)</b>	<b>\$ 19,613</b>	<b>\$ 18,748</b>	<b>5 %</b>

(a) Translational foreign exchange

Organic revenues\* measure revenues excluding the effects of acquisitions, business dispositions and currency exchange rates. We believe that this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and currency exchange, which activities are subject to volatility and can obscure underlying trends. We also believe that presenting organic revenues\* separately for our industrial businesses provides management and investors with useful information about the trends of our industrial businesses and enables a more direct comparison to other non-financial businesses and companies. Management recognizes that the term "organic revenues" may be interpreted differently by other companies and under different circumstances. Although this may have an effect on comparability of absolute percentage growth from company to company, we believe that these measures are useful in assessing trends of the respective businesses or companies and may therefore be a useful tool in assessing period-to-period performance trends.

When comparing revenue growth between periods excluding the effects of acquisitions, business dispositions and currency exchange rates, those effects are different when comparing results for different periods. Revenues from acquisitions are considered inorganic from the date we complete an acquisition through the end of the fourth quarter following the acquisition and are therefore reflected as an adjustment to reported revenue to derive organic revenue for the period following the acquisition. In subsequent periods, the revenues from the acquisition become organic as these revenues are included for all periods presented.

**HEALTHCARE SEGMENT ORGANIC PROFIT AND PROFIT MARGIN**

<b>(NON-GAAP)</b> <i>(In millions)</i>		2018	2017	V%
Healthcare reported segment profit (GAAP)	\$	3,698	\$ 3,488	6%
Adjustments:				
Less: acquisitions		(4)	(2)	
Less: business dispositions (other than dispositions acquired for investment)		(46)	150	
Less: currency exchange rate(a)		52	—	
Adjusted GE Industrial organic profit (Non-GAAP)	\$	3,696	\$ 3,339	11 %
Healthcare reported profit margin (GAAP)		18.7 %	18.3%	0.4 pts
Adjusted Healthcare organic segment profit (GAAP)		18.8 %	17.8%	1.0 pts

(a) Translational foreign exchange

Organic profit\* measures profit excluding the effects of acquisitions, business dispositions and currency exchange rates. We believe that this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and currency exchange, which activities are subject to volatility and can obscure underlying trends. Management recognizes that the term "organic profit" may be interpreted differently by other companies and under different circumstances. Although this may have an effect on comparability of absolute percentage growth from company to company, we believe that these measures are useful in assessing trends of our Industrial businesses and may therefore be a useful tool in assessing period-to-period performance trends.

**ADJUSTED OIL & GAS SEGMENT PROFIT AND PROFIT MARGIN (NON-GAAP)**

<i>(In millions)</i>		2018	2017	V%
Reported Oil & Gas segment profit (GAAP)	\$	429	\$ 158	F
Less: restructuring & other (GE share)		(616)	(679)	
Adjusted Oil & Gas segment profit (Non-GAAP)	\$	1,045	\$ 837	25 %
Reported Oil & Gas segment revenues (GAAP)	\$	22,859	\$ 17,180	33 %
Reported Oil & Gas profit margin (GAAP)		1.9 %	0.9 %	1.0 pts
Adjusted Oil & Gas profit margin (Non-GAAP)		4.6 %	4.9 %	(0.3) pts

Adjusted GE Oil & Gas segment profit\* measures Oil & Gas reported segment profit excluding the effects of restructuring and other charges. We believe that this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations of our Oil & Gas segment.

\*Non-GAAP Financial Measure