



GE 3Q'18 Supplemental Information

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NON-GAAP SUPPLEMENTAL INFORMATION

In an effort to provide investors with additional information regarding the company's results as determined by generally accepted accounting principles (GAAP), the company also discusses, in its earnings press release and earnings presentation materials, the Non-GAAP information identified above, which management believes provides useful information to investors.

ORDERS & BACKLOG BY SEGMENT

<i>(Dollars in billions)</i>	3Q'18 Orders	V%	3Q'18 YTD Orders	V%	3Q'18 Backlog	V%
Power	\$ 6.6	(18)%	\$ 19.5	(24)%	\$ 93.7	(6)%
Renewable Energy	2.9	(3)	7.0	(1)	16.3	17
Aviation	9.1	35	26.8	26	210.9	12
Oil & Gas	5.8	—	17.0	49	21.3	(2)
Healthcare	5.1	—	15.1	4	17.3	(5)
Transportation	2.0	F	4.6	68	18.8	29
Lighting	0.2	(6)	0.7	(17)	0.2	(5)
Industrial	\$ 31.4	7 %	\$ 89.9	9 %	\$ 378.9	6 %

INDUSTRIAL BACKLOG TO REMAINING PERFORMANCE OBLIGATION WALK – 3Q'18

<i>(Dollars in billions)</i>	Equipment	Services	Total
Backlog	\$ 89.0	\$ 289.9	\$ 378.9
Adjustments:	(37.4)	(92.3)	(129.8)
Remaining Performance Obligation	\$ 51.6	\$ 197.6	\$ 249.2

Note: Backlog includes engine contracts with our customers for which we have received purchase orders that are cancelable. Additionally, our services backlog includes contracts that are cancelable without substantial penalty. We include these items in our reported backlog as our historical experience indicates that the likelihood of cancellation is remote.

EQUIPMENT/SERVICE REVENUES BY SEGMENT – 3Q'18

<i>(Dollars in billions)</i>	Equipment	V%	Services	V%	Total	V%
Power	\$ 2.3	(49)%	\$ 3.4	(15)%	\$ 5.7	(33)%
Renewable Energy	2.4	25	0.4	(23)	2.9	15
Aviation	2.8	17	4.6	9	7.5	12
Oil & Gas	2.2	2	3.4	10	5.7	7
Healthcare	2.7	2	2.0	(3)	4.7	—
Transportation	0.2	(32)	0.7	17	0.9	(2)
Lighting	0.4	(19)	—	—	0.4	(18)
Industrial segments	\$ 13.1	(9)%	\$ 14.7	— %	\$ 27.8	(5)%

EQUIPMENT/SERVICE REVENUES BY SEGMENT – 3Q'18 YTD

<i>(Dollars in billions)</i>	Equipment	V%	Services	V%	Total	V%
Power	\$ 9.3	(30)%	\$ 11.2	(11)%	\$ 20.5	(21)%
Renewable Energy	4.8	(12)	1.4	18	6.2	(6)
Aviation	8.3	12	13.8	10	22.1	11
Oil & Gas	6.6	40	10.0	50	16.6	46
Healthcare	8.1	7	6.3	3	14.4	5
Transportation	0.8	(40)	1.9	18	2.7	(9)
Lighting	1.2	(10)	—	(2)	1.3	(10)
Industrial segments	\$ 39.2	(5)%	\$ 44.7	9 %	\$ 83.8	2 %

UNITS SUMMARY - ORDERS

	3Q'18	3Q'17	V	3Q'18 YTD	3Q'17 YTD	V
Power						
Gas Turbines	21	15	6	32	51	(19)
Renewable Energy						
Onshore Wind Turbines	857	693	164	2,113	1,849	264
Aviation						
Commercial Engines	1,779	508	1,271	3,913	2,022	1,891
GEEnx Engines-a)	68	25	43	361	59	302
LEAP Engines-a)	1,555	54	1,501	2,989	1,075	1,914
Military Engines	119	183	(64)	647	429	218
Transportation						
Locomotives	603	17	586	1,060	80	980

(a – GEEnx & LEAP Engines are a subset of Commercial Engines.

UNITS SUMMARY - SALES

	3Q'18	3Q'17	V	3Q'18 YTD	3Q'17 YTD	V
Power						
Gas Turbines	9	22	(13)	28	63	(35)
Renewable Energy						
Onshore Wind Turbines	933	637	296	1,613	1,895	(282)
Aviation						
Commercial Engines	714	641	73	2,062	1,895	167
GEEnx Engines-a)	65	48	17	172	177	(5)
LEAP Engines-a)	303	111	192	739	257	482
Military Engines	160	145	15	502	402	100
Spares rate-b)	\$28.0	\$23.2	\$4.8	\$26.6	\$22.2	\$4.4
Transportation						
Locomotives	40	77	(37)	154	354	(200)

(a – GEEnx & LEAP Engines are a subset of Commercial Engines.

(b – Commercial spares rate in millions of dollars per day.

GE INDUSTRIAL SEGMENT ORGANIC REVENUES (NON-GAAP)

<i>(Dollars in millions)</i>	3Q'18	3Q'17	V%	3Q'18 YTD	3Q'17 YTD	V%
GE Industrial segment revenues (GAAP)	\$ 27,785	\$ 29,171	(5)%	\$ 83,837	\$ 81,967	2 %
Adjustments:						
Less: acquisitions	4	1		5,588	92	
Less: business dispositions (other than dispositions acquired for investment)	10	1,408		13	2,479	
Less: currency exchange rate-a)	(285)	—		1,121	—	
GE Industrial segment organic revenues (Non-GAAP)	\$ 28,057	\$ 27,762	1 %	\$ 77,116	\$ 79,396	(3)%

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

(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.

GE INDUSTRIAL ORGANIC PROFIT (NON-GAAP)

<i>(Dollars in millions)</i>	3Q'18	3Q'17	V%	3Q'18 YTD	3Q'17 YTD	V%
Adjusted GE Industrial profit (Non-GAAP)	\$ 2,213	\$ 2,861	(23)%	\$ 7,875	\$ 8,500	(7)%
Adjustments:						
Less: acquisitions	(1)	(1)		293	(19)	
Less: business dispositions (other than dispositions acquired for investment)	(11)	176		(26)	257	
Less: currency exchange rate-a)	(2)	—		(60)	—	
Adjusted GE Industrial organic profit (Non-GAAP)	\$2,226	\$2,687	(17)%	\$7,669	\$8,262	(7)%
Adjusted GE Industrial profit margin (Non-GAAP)	8.1%	9.9%	(1.8)pts	9.6%	10.5%	(0.9)pts
Adjusted GE Industrial organic profit margin (Non-GAAP)	8.0%	9.8%	(1.8)pts	10.1%	10.6%	(0.5)pts

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

(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.

ORGANIC REVENUES BY SEGMENT (NON-GAAP)

<i>(Dollars in millions)</i>	3Q'18	3Q'17	V%	3Q'18 YTD	3Q'17 YTD	V%
Power						
Reported Revenues (GAAP)	\$ 5,739	\$ 8,527	(33)%	\$ 20,540	\$ 25,868	(21)%
Less Acq./Disp. & FX-a)	(77)	1,239		645	2,213	
Organic Revenues (Non-GAAP)	\$ 5,816	\$ 7,288	(20)%	\$ 19,896	\$ 23,654	(16)%
Renewable Energy						
Reported Revenues (GAAP)	\$ 2,873	\$ 2,507	15 %	\$ 6,172	\$ 6,587	(6)%
Less Acq./Disp. & FX-a)	(103)	—		198	80	
Organic Revenues (Non-GAAP)	\$ 2,976	\$ 2,507	19 %	\$ 5,974	\$ 6,507	(8)%
Aviation						
Reported Revenues (GAAP)	\$ 7,480	\$ 6,696	12 %	\$ 22,111	\$ 20,003	11 %
Less Acq./Disp. & FX-a)	—	—		35	2	
Organic Revenues (Non-GAAP)	\$ 7,480	\$ 6,696	12 %	\$ 22,075	\$ 20,001	10 %
Oil & Gas						
Reported Revenues (GAAP)	\$ 5,670	\$ 5,311	7 %	\$ 16,609	\$ 11,394	46 %
Less Acq./Disp. & FX-a)	(59)	—		5,580	—	
Organic Revenues (Non-GAAP)	\$ 5,728	\$ 5,311	8 %	\$ 11,029	\$ 11,394	(3)%
Healthcare						
Reported Revenues (GAAP)	\$ 4,707	\$ 4,710	— %	\$ 14,387	\$ 13,703	5 %
Less Acq./Disp. & FX-a)	(32)	114		262	155	
Organic Revenues (Non-GAAP)	\$ 4,738	\$ 4,596	3 %	\$ 14,125	\$ 13,548	4 %
Transportation						
Reported Revenues (GAAP)	\$ 932	\$ 949	(2)%	\$ 2,746	\$ 3,006	(9)%
Less Acq./Disp. & FX-a)	—	—		—	—	
Organic Revenues (Non-GAAP)	\$ 932	\$ 949	(2)%	\$ 2,746	\$ 3,006	(9)%
Lighting						
Reported Revenues (GAAP)	\$ 385	\$ 472	(18)%	\$ 1,272	\$ 1,407	(10)%
Less Acq./Disp. & FX-a)	(2)	56		1	120	
Organic Revenues (Non-GAAP)	\$ 387	\$ 415	(7)%	\$ 1,271	\$ 1,287	(1)%

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

(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.

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

<i>(Dollars in millions)</i>	3Q'18	3Q'17	V%	3Q'18 YTD	3Q'17 YTD	V%
Reported segment profit (GAAP)	\$ 180	\$ (57)	F	\$ 110	\$ 322	(66)%
Less: restructuring & other (GE share)	(67)	(267)		(540)	(267)	
Adjusted Oil & Gas segment profit (Non-GAAP)	\$ 247	\$ 210	18%	\$ 650	\$ 590	10 %
Reported Oil & Gas segment revenues (GAAP)	\$ 5,670	\$ 5,311	7%	\$ 16,609	\$ 11,394	46 %
Reported Oil & Gas profit margin (GAAP)	3.2%	(1.1)%	4.3pts	0.7%	2.8%	(2.1)pts
Adjusted Oil & Gas profit margin (Non-GAAP)	4.4%	4.0 %	0.4pts	3.9%	5.2%	(1.3)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.

ADJUSTED GE INDUSTRIAL PROFIT AND PROFIT MARGIN (EXCLUDING CERTAIN ITEMS) (NON-GAAP)

<i>(Dollars in millions)</i>	3Q'18	3Q'17	V%	3Q'18 YTD	3Q'17 YTD	V%
GE total revenues (GAAP)	\$ 27,456	\$ 28,774	(5)%	\$ 82,429	\$ 80,683	2 %
Costs						
GE total costs and expenses (GAAP)	\$ 50,449	\$ 29,978	68 %	\$ 104,390	\$ 80,977	29 %
Less: GE interest and other financial charges	662	718		1,995	1,918	
Less: non-operating benefit costs	804	610		2,178	1,811	
Less: restructuring & other	1,488	1,347		2,789	3,029	
Less: goodwill impairment	21,973	947		21,973	947	
Add: noncontrolling interests	(132)	(168)		(228)	(316)	
Adjusted GE Industrial costs (Non-GAAP)	\$ 25,389	\$ 26,188	(3)%	\$ 75,227	\$ 72,955	3 %
Other Income						
GE other income (GAAP)	\$ 201	\$ 2,160	(91)%	\$ 1,237	\$ 2,659	(53)%
Less: unrealized gains (losses)	(73)	—		193	—	
Less: restructuring & other	(80)	—		(80)	—	
Less: gains (losses) and impairments for disposed or held for sale businesses	207	1,885		450	1,887	
Adjusted GE other income (Non-GAAP)	\$ 147	\$ 275	(47)%	\$ 674	\$ 772	(13)%
GE Industrial profit (GAAP)	\$ (22,793)	\$ 957	U	\$ (20,725)	\$ 2,365	U
GE Industrial profit margin (GAAP)	(83.0)%	3.3%	(86.3)pts	(25.1)%	2.9%	(28.0)pts
Adjusted GE Industrial profit (Non-GAAP)	\$ 2,213	\$ 2,861	(23)%	\$ 7,875	\$ 8,500	(7)%
Adjusted GE Industrial profit margin (Non-GAAP)	8.1 %	9.9%	(1.8)pts	9.6 %	10.5%	(0.9)pts

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

We have presented our Adjusted GE Industrial profit* and profit margin* excluding interest and other financial charges, non-operating benefit costs, restructuring and other, goodwill impairment, non-controlling interests, unrealized gains (loss) on Pivotal equity investment and gains (losses) and impairment 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.

ADJUSTED GE INDUSTRIAL EBITDA (NON-GAAP)

<i>(Dollars in millions)</i>	3Q'18	3Q'18 YTD
Reported GE Industrial EBITDA (GAAP)	\$ (20,161)	\$ (14,024)
Less: restructuring & other	(1,568)	(2,868)
Less: goodwill impairment	(21,973)	(21,973)
Less: unrealized gains (losses)	(73)	193
Less: gains (losses) and impairments for disposed or held for sale businesses	207	450
Less: non-operating benefit costs	(804)	(2,178)
Less: noncontrolling interest	(132)	(228)
Add: depreciation & amortization of PP&E and intangibles	(1,969)	(4,706)
Adjusted GE Industrial profit (Non-GAAP)	\$ 2,213	\$ 7,875
Less: corporate operating profit (loss)	(179)	(822)
Adjusted Industrial segment profit	\$ 2,392	\$ 8,697

Note: The above reconciliation is provided for informational purposes only.

CORPORATE OPERATIONS & ELIMINATIONS (NON-GAAP)

<i>(Dollars in millions)</i>	3Q'18	3Q'17	V%	3Q'18 YTD	3Q'17 YTD	V%
Revenues						
Eliminations and other	\$ (685)	\$ (907)		\$ (2,575)	\$ (2,851)	
Total Corporate Items and Eliminations	\$ (685)	\$ (907)	24%	\$ (2,575)	\$ (2,851)	10%
Operating profit (cost)						
Gains (losses) on disposals -a)	\$ 207	\$ 1,885		\$ 450	\$ 1,887	
Restructuring & other charges -b)	(1,501)	(1,079)		(2,328)	(2,761)	
Unrealized gains (losses) -c)	(73)	—		193	—	
Goodwill impairment	(21,973)	(947)		(21,973)	(947)	
Eliminations and other	(179)	(367)		(822)	(1,209)	
Corporate costs (continuing) (GAAP)	\$ (23,519)	\$ (509)	U	\$ (24,481)	\$ (3,031)	U
Less: gains (losses) and restructuring & other	(23,340)	(141)		(23,659)	(1,822)	
Adjusted Corporate costs (operating) (Non-GAAP)	\$ (179)	\$ (367)	51%	\$ (822)	\$ (1,209)	32%

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total.

(a- Includes (gains) losses on disposed or held for sale businesses.

(b- Subsequent to the Baker Hughes transaction, restructuring and other charges are included in the determination of segment profit for our Oil & Gas segment.

(c- Amount is related to our Pivotal Software equity investment for 3Q'18 and 3Q'18 YTD.

We believe that adjusted operating corporate costs* which excludes the effects of items that are not closely associated with ongoing corporate operations, such as earnings of previously divested businesses, gains and losses on disposed and held for sale businesses and restructuring & other charges provides management and investors with a meaningful measure that increases the period-to-period comparability of our ongoing corporate costs.

ADJUSTED EARNINGS (LOSS) (NON-GAAP)

<i>(Dollars in millions)</i>	3Q'18	3Q'17	V%	3Q'18 YTD	3Q'17 YTD	V%
Consolidated earnings (loss) from continuing operations attributable to GE common shareowners (GAAP)	\$ (22,847)	\$ 1,429	U	\$ (21,742)	\$ 2,579	U
Less: GE Capital earnings (loss) from continuing operations attributable to GE common shareowners (GAAP)	19	24		(403)	(195)	
GE Industrial earnings (loss) (Non-GAAP)	\$ (22,866)	\$ 1,405	U	\$ (21,339)	\$ 2,774	U
Non-operating benefits costs (pre-tax) (GAAP)	(804)	(610)		(2,178)	(1,811)	
Tax effect on non-operating benefit costs -a)	169	214		457	634	
Less: non-operating benefit costs (net of tax)	(636)	(397)		(1,721)	(1,177)	
Gains (losses) and impairments for disposed or held for sale businesses (pre-tax)	207	1,885		450	1,887	
Tax effect on gains (losses) and impairments for disposed or held for sale businesses -b)	(89)	(45)		(190)	(46)	
Less: gains (losses) and impairments for disposed or held for sale businesses (net of tax)	118	1,840		260	1,841	
Restructuring & other (pre-tax)	(1,568)	(1,347)		(2,734)	(3,029)	
Tax effect on restructuring & other -b)	337	448		398	953	
Less: restructuring & other (net of tax)	(1,231)	(898)		(2,337)	(2,076)	
Goodwill impairment (pre-tax)	(21,973)	(947)		(21,973)	(947)	
Tax effect on goodwill impairment -b)	(246)	7		(246)	7	
Less: goodwill impairment (net of tax)	(22,220)	(940)		(22,220)	(940)	
Unrealized gains (losses) (pre-tax)	(73)	—		193	—	
Tax effect on unrealized gains (losses) -a)	15	—		(41)	—	
Less: unrealized gains (losses) (net of tax)	(58)	—		153	—	
Less: GE Industrial U.S. tax reform enactment adjustment	—	—		(55)	—	
Adjusted GE Industrial earnings (loss) (Non-GAAP)	\$ 1,160	\$ 1,801	(36)%	\$ 4,581	\$ 5,127	(11)%
GE Capital earnings (loss) from continuing operations attributable to GE common shareowners (GAAP)	\$ 19	\$ 24	(21)%	\$ (403)	\$ (195)	U
Less: GE Capital U.S. tax reform enactment adjustment	—	—		(45)	—	
Adjusted GE Capital earnings (loss) (Non-GAAP)	\$ 19	\$ 24	(21)%	\$ (358)	\$ (195)	(84)%
Adjusted GE Industrial earnings (loss) (Non-GAAP)	\$ 1,160	\$ 1,801	(36)%	4,581	5,127	(11)%
Add: Adjusted GE Capital earnings (loss) (Non-GAAP)	19	24		(358)	(195)	
Adjusted earnings (loss) (Non-GAAP)	\$ 1,179	\$ 1,825	(35)%	\$ 4,223	\$ 4,932	(14)%

(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) and EPS* excludes non-operating benefit costs, gains (losses) and impairments for disposed or held for sale businesses, restructuring and other, goodwill impairment, and unrealized gains (losses), 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; for the third quarter of 2018, on a comparable basis, we reported it separately in the 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 as separate from the ongoing operations of our businesses. We believe that the retained costs in Adjusted earnings (loss) and 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 Industrial earnings (loss) and EPS separately for 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.

ADJUSTED EARNINGS (LOSS) PER SHARE (NON-GAAP)

	3Q'18	3Q'17	V%	3Q'18 YTD	3Q'17 YTD	V%
Consolidated EPS from continuing operations attributable to GE common shareowners (GAAP)	\$ (2.63)	\$ 0.16	U	\$ (2.50)	\$ 0.29	U
Less: GE Capital EPS from continuing operations attributable to GE common shareowners (GAAP)	—	—		(0.05)	(0.02)	
GE Industrial EPS (Non-GAAP)	\$ (2.63)	\$ 0.16	U	\$ (2.46)	\$ 0.32	U
Non-operating benefits costs (pre-tax) (GAAP)	(0.09)	(0.07)		(0.25)	(0.21)	
Tax effect on non-operating benefit costs -a)	0.02	0.02		0.05	0.07	
Less: non-operating benefit costs (net of tax)	(0.07)	(0.05)		(0.20)	(0.13)	
Gains (losses) and impairments for disposed or held for sale businesses (pre-tax)	0.02	0.22		0.05	0.21	
Tax effect on gains (losses) and impairments for disposed or held for sale businesses -b)	(0.01)	(0.01)		(0.02)	(0.01)	
Less: gains (losses) and impairments for disposed or held for sale businesses (net of tax)	0.01	0.21		0.03	0.21	
Restructuring & other (pre-tax)	(0.18)	(0.15)		(0.31)	(0.34)	
Tax effect on restructuring & other -b)	0.04	0.05		0.05	0.11	
Less: restructuring & other (net of tax)	(0.14)	(0.10)		(0.27)	(0.24)	
Goodwill impairment (pre-tax)	(2.53)	(0.11)		(2.53)	(0.11)	
Tax effect on goodwill impairment -b)	(0.03)	—		(0.03)	—	
Less: goodwill impairment (net of tax)	(2.56)	(0.11)		(2.56)	(0.11)	
Unrealized gains (losses) (pre-tax)	(0.01)	—		0.02	—	
Tax effect on unrealized gains (losses) -a)	—	—		—	—	
Less: unrealized gains (losses) (net of tax)	(0.01)	—		0.02	—	
Less: GE Industrial U.S. tax reform enactment adjustment	—	—		(0.01)	—	
Adjusted GE Industrial EPS (Non-GAAP)	\$ 0.13	\$ 0.21	(38)%	\$ 0.53	\$ 0.58	(9)%
GE Capital EPS from continuing operations attributable to GE common shareowners (GAAP)	\$ —	\$ —	— %	\$ (0.05)	\$ (0.02)	U
Less: GE Capital U.S. tax reform enactment adjustment	—	—		(0.01)	—	
Adjusted GE Capital EPS (Non-GAAP)	\$ —	\$ —	— %	\$ (0.04)	\$ (0.02)	(100)%
Adjusted GE Industrial EPS (Non-GAAP)	\$ 0.13	\$ 0.21	(38)%	\$ 0.53	\$ 0.58	(9)%
Add: Adjusted GE Capital EPS (Non-GAAP)	—	—	— %	(0.04)	(0.02)	(100)%
Adjusted EPS (Non-GAAP) -c)	\$ 0.14	\$ 0.21	(33)%	\$ 0.49	\$ 0.56	(13)%

(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 earnings (loss) and EPS* excludes non-operating benefit costs, gains (losses) and impairments for disposed or held for sale businesses, restructuring and other, goodwill impairment, and unrealized gains (losses), 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; for the third quarter of 2018, on a comparable basis, we reported it separately in the 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 as separate from the ongoing operations of our businesses. We believe that the retained costs in Adjusted earnings (loss) and 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 Industrial earnings (loss) and EPS separately for 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.

GE PRE-TAX EARNINGS (LOSS) FROM CONTINUING OPERATIONS EXCLUDING GE CAPITAL EARNINGS (LOSS) FROM CONTINUING OPERATIONS AND ADJUSTED GE PRE-TAX EARNINGS AND THE CORRESPONDING EFFECTIVE TAX RATES (NON-GAAP)

<i>(Dollars in millions)</i>	3Q'18	3Q'17	3Q'18 YTD	3Q'17 YTD
GE earnings (loss) from continuing operations before income taxes (GAAP)	\$ (22,774)	\$ 981	\$ (21,128)	\$ 2,170
Less: GE Capital earnings (loss) from continuing operations	19	24	(403)	(195)
GE Industrial earnings (loss) from continuing operations before income taxes (Non-GAAP)	\$ (22,793)	\$ 957	\$ (20,725)	\$ 2,365
Less: non-operating benefits (pre-tax)	(804)	(610)	(2,178)	(1,811)
Less: gains (losses) and impairments for disposed or held for sale businesses (pre-tax)	207	1,885	450	1,887
Less: restructuring & other (pre-tax)	(1,596)	(1,442)	(2,903)	(3,124)
Less: goodwill impairment (pre-tax)	(21,973)	(947)	(21,973)	(947)
Less: unrealized gains (losses) (pre-tax)	(73)	—	193	—
Adjusted GE Industrial earnings (loss) from continuing operations before income taxes (Non-GAAP)	\$ 1,447	\$ 2,071	\$ 5,687	\$ 6,361
GE provision (benefit) for income taxes (GAAP)	\$ 205	\$ (281)	\$ 842	\$ (93)
Less: taxes on non-operating benefit costs	(169)	(214)	(457)	(634)
Less: taxes on gains (losses) and impairments for disposed or held for sale businesses	89	45	190	46
Less: taxes on restructuring & other charges	(337)	(448)	(398)	(953)
Less: taxes related to goodwill impairment	246	(7)	246	(7)
Less: unrealized gains (losses)	(15)	—	41	—
Less: GE Industrial U.S. tax reform enactment adjustment	—	—	(79)	—
Adjusted GE Industrial taxes (Non-GAAP)	\$ 392	\$ 343	\$ 1,300	\$ 1,455
GE effective tax rate, excluding GE Capital earnings (Non-GAAP)	(1)%	(29)%	(4)%	(4)%
Adjusted GE effective tax rate (Non-GAAP)	27 %	17 %	23 %	23 %

We believe that the GE effective tax rate is best analyzed in relation to GE earnings before income taxes excluding the GE Capital net earnings from continuing operations, as GE tax expense does not include taxes on GE Capital earnings. Management believes the GE effective tax rate, excluding GE Capital earnings* provides investors with useful information as it presents the GE effective tax rate that can be used in comparing the GE results to other non-financial services businesses. Adjusted GE effective tax rate* also excludes non-operating benefit costs, gains (losses) and impairments for disposed or held for sale businesses, goodwill impairment, and restructuring and other items. 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. We believe that the retained pre-tax earnings and corresponding taxes in Adjusted GE effective tax rate* provides management and investors a useful measure to evaluate the performance of the total company, and increases period-to-period comparability.

ADJUSTED GE INDUSTRIAL FREE CASH FLOWS (NON-GAAP)

<i>(Dollars in millions)</i>	3Q'18	3Q'17	V\$	3Q'18 YTD	3Q'17 YTD	V\$
GE CFOA (GAAP)	\$ (3,354)	\$ 465	\$ (3,820)	\$ (4,128)	\$ 4,051	\$ (8,179)
Add: gross additions to PP&E	(769)	(1,092)		(2,419)	(3,051)	
Add: gross additions to internal-use software	(90)	(137)		(262)	(396)	
Less: common dividends from GE Capital	—	—		—	4,016	
Less: GE Pension Plan funding	(5,079)	(1,214)		(6,000)	(1,431)	
Less: taxes related to business sales	(74)	(61)		(91)	(112)	
GE Industrial Free Cash Flows (Non-GAAP)	\$ 940	\$ 510	\$ 429	\$ (718)	\$ (1,869)	\$ 1,150
Less: Oil & Gas CFOA	236	(242)		669	(242)	
Less: Oil & Gas gross additions to PP&E	(231)	(250)		(630)	(250)	
Less: Oil & Gas gross additions to internal-use software	(6)	(24)		(23)	(24)	
Add: BHGE Class B shareholder dividend	147	122		399	122	
Adjusted GE Industrial Free Cash Flows (Non-GAAP)	\$ 1,088	\$ 1,149	\$ (61)	\$ (335)	\$ (1,230)	\$ 895

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.

GE INDUSTRIAL NET DEBT (NON-GAAP)

In this document we use GE Industrial net debt*. We cannot provide an equivalent GAAP guidance range for our Industrial net debt target, which is calculated based on rating agency methodologies, without unreasonable effort. GE Industrial net debt reflects the total of gross debt, after-tax net pension liabilities, adjustments for operating lease obligations, and adjustments for 50% of preferred stock, less 75% of GE's cash balance. There is significant uncertainty on the timing and amount of 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.

GE CAPITAL SEGMENT RESULTS - 3Q'18

<i>(Dollars in millions) - net earnings</i>	3Q'18	3Q'17	V%
GECAS	\$ 271	\$ 259	5 %
EFS	228	(35)	F
Industrial Finance and WCS	92	133	(31)
Insurance	(84)	(33)	U
Other continuing operations -a)	(489)	(300)	(63)
Capital segment profit/(loss)	\$ 19	\$ 24	(21)%
Earnings (loss) from discontinued operations	40	(105)	
GE Capital Net earnings (loss) attributable to GE common shareowners	\$ 59	\$ (81)	F

(a- includes the impact of Preferred stock dividends

GE CAPITAL SEGMENT ASSETS - 3Q'18

<i>(Dollars in billions)</i>	3Q'18	3Q'17	V%
GECAS	\$ 40.6	\$ 38.9	4 %
EFS	6.3	11.1	(44)
Industrial Finance and WCS	19.3	25.4	(24)
Insurance	40.7	36.7	11
Other continuing operations	16.9	36.0	(53)
Capital segment assets	\$ 123.8	\$ 148.1	(16)%
Assets of discontinued operations	4.7	6.8	
GE Capital total assets	\$ 128.5	\$ 154.9	(17)%