



GE Annual Meeting supplemental information

Industrial segments organic revenue growth

(\$ in millions)

	<u>2017</u>	<u>2016</u>	<u>V%</u>
Industrial segments revenue (GAAP)	\$113,168	\$112,324	1%
Less the effects of:			
Acquisitions, dispositions and FX ^{a)}	<u>6,707</u>	<u>3,515</u>	
Industrial segments revenue excluding the effects of acquisitions, dispositions, and FX^{a)} (Non-GAAP)	\$106,461	\$108,808	(2)%



(a- Translational foreign exchange

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

Industrial structural cost

(\$ in millions)

	2017	2016	V\$
Industrial costs excluding interest and other financial charges (GAAP)	\$108,320	\$101,834	\$6,486
Less: Segment variable costs	77,749	72,252	
Less: Corporate revenue ex. GE-GECC elimination and gains on disposals	(3,169)	(1,332)	
Less: Corp. restructuring & other charges	5,986	3,578	
Less: Corp. non-operating pension cost	2,278	2,052	
Less: Corp. non-controlling interests	(1)	(7)	
Less: Oil & Gas restructuring & other charges ^{-a)}	769	-	
Industrial structural costs (non-GAAP)	\$24,707	\$25,291	\$(584)
Less: acquisitions and dispositions structural costs	1,679	568	
Industrial structural costs ex. acquisitions & dispositions (non-GAAP)	\$23,028	\$24,723	\$(1,694)



(a)– \$679MM net of non-controlling interest for the nine months ended December 31, 2017.

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

GE Industrial Free Cash Flows (FCF) and Adjusted GE Industrial FCF

(\$ in millions)

	2017
Cash from GE's operating activities (CFOA) (GAAP)	\$11,033
Plus: Gross additions to PP&E	(4,132)
Plus: Gross additions to internal-use software	(518)
Less: Dividends from GE Capital	4,016
Less: Taxes related to business sales	(229)
Less: GE Pension Plan funding	(1,717)
GE Industrial Free Cash Flows (non-GAAP)	\$4,313
Less: Oil & Gas CFOA (2H'17)	(477)
Less: Oil & Gas gross additions to PP&E (2H'17)	(488)
Less: Oil & Gas gross additions to internal-use software (2H'17)	(34)
Plus: BHGE Class B shareholder dividend	251
Adjusted GE Industrial Free Cash Flows (non-GAAP)	\$5,562



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

2018 operating framework: Adjusted EPS

2018 Adjusted EPS target

\$1.00-1.07

Items not included in this Non-GAAP metric:

1. Non operating benefit costs. This amount is affected by, among other things, the timing of and/or amount of any curtailment gains or losses as a result of dispositions.
2. Gains & restructuring net income/(loss). This amount is affected by, among other things:
 - The timing and magnitude of gains or losses associated with dispositions; and
 - The timing and magnitude of the costs associated with restructuring activities

Note: The company cannot provide an equivalent GAAP guidance range without unreasonable effort because of the uncertainty of the amount and timing of events affecting earnings as we execute on the restructuring actions and business portfolio changes we have announced since John Flannery became CEO. Although we have attempted to estimate the amount of gains and restructuring charges for the purpose of explaining the probable significance of this component, as described under number 2, this calculation involves a number of unknown variables, resulting in a GAAP range that we believe is too large and variable to be meaningful.



2018 operating framework: Adjusted GE Industrial Free Cash Flows

2018 Adjusted GE Industrial Free Cash Flows target

\$6-7B

Items not included in this Non-GAAP metric:

1. GE Principal Pension Plan funding
2. Deal taxes on completed dispositions
3. BHGE free cash flows (non-GAAP metric includes BHGE on a dividend basis)
4. Any dividends from GE Capital



Note: The company cannot provide an equivalent GAAP guidance range without unreasonable effort as throughout the year, we manage the individual segments on an adjusted free cash flow basis and do not manage to a reported GE CFOA metric. Furthermore, there is significant uncertainty on the timing and amount of events that could give rise to items included in the determination of this metric. As referenced above, Adjusted GE Industrial Free Cash Flows includes GE CFOA plus investments in property, plant and equipment and additions to internal-use software. This metric excludes the items noted above.

