



GE 4Q'17 supplemental information

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Orders & backlog by segment

(\$ in billions)

	4Q'17 Orders	V%	2017 Orders	V%	4Q'17 Backlog	V%
Power	\$10.2	(25)%	\$37.0	(13)%	\$98.4	3%
Renewable Energy	3.3	(2)	10.4	1	15.0	15
Oil & Gas	5.8	73	17.2	56	21.0	1
Aviation	8.0	11	29.5	12	170.4	10
Healthcare	5.9	9	20.4	6	18.1	8
Transportation	2.1	56	5.1	51	17.9	(11)
Lighting	0.3	10	1.2	93	0.2	63
Industrial	\$35.0	3%	\$118.8	7%	\$341.3	6%



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

Equipment orders

(\$ in billions)

	<u>1Q'17</u>	<u>V%</u>	<u>2Q'17</u>	<u>V%</u>	<u>3Q'17</u>	<u>V%</u>	<u>4Q'17</u>	<u>V%</u>	<u>Four qtr. rolling average</u>	<u>V%</u>
Power	\$3.9	2%	\$4.9	(5)%	\$3.9	(32)%	\$5.3	(24)%	\$4.5	(17)%
Renewable Energy	1.7	(4)	1.8	12	2.2	(6)	2.5	(12)	2.0	(4)
Oil & Gas	0.9	30	1.4	50	2.3	F	2.3	81	1.7	87
Aviation	2.7	5	2.8	11	2.2	8	2.9	2	2.7	6
Healthcare	2.6	10	3.0	3	3.1	8	3.7	11	3.1	8
Transportation	0.5	F	0.2	97	0.2	F	1.1	F	0.5	F
Lighting	<u>0.2</u>	<u>F</u>	<u>0.4</u>	<u>F</u>	<u>0.2</u>	<u>(37)</u>	<u>0.3</u>	<u>9</u>	<u>0.3</u>	<u>83</u>
Industrial	<u>\$12.3</u>	<u>11%</u>	<u>\$14.1</u>	<u>9%</u>	<u>\$13.9</u>	<u>-%</u>	<u>\$17.9</u>	<u>3%</u>	<u>\$14.5</u>	<u>5%</u>



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

Equipment/service revenue by segment - 4Q'17

(\$ in billions)

	<u>Equipment</u>	<u>V%</u>	<u>Services</u>	<u>V%</u>	<u>Total</u>	<u>V%</u>
Power	\$4.5	(15)%	\$4.9	(16)%	\$9.4	(15)%
Renewable Energy	1.9	(11)	1.0	F	2.9	15
Oil & Gas	2.5	54	3.3	83	5.8	69
Aviation	3.1	(6)	4.1	6	7.2	0
Healthcare	3.3	7	2.1	4	5.4	6
Transportation	0.4	(37)	0.6	(3)	1.0	(20)
Lighting	<u>0.5</u>	<u>(8)</u>	<u>0.0</u>	<u>-</u>	<u>0.5</u>	<u>(7)</u>
Industrial segments	<u>\$16.2</u>	<u>(2)%</u>	<u>\$16.1</u>	<u>10%</u>	<u>\$32.2</u>	<u>3%</u>



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

Equipment/service revenue by segment - 2017

(\$ in billions)

	<u>Equipment</u>	<u>V%</u>	<u>Services</u>	<u>V%</u>	<u>Total</u>	<u>V%</u>
Power	\$17.8	2%	\$18.2	(6)%	\$36.0	(2)%
Renewable Energy	8.1	(1)	2.2	F	10.3	14
Oil & Gas	7.2	20	10.0	45	17.2	34
Aviation	10.8	(7)	16.6	13	27.4	4
Healthcare	11.0	6	8.1	3	19.1	5
Transportation	1.7	(27)	2.5	3	4.2	(11)
Lighting	<u>1.9</u>	<u>(58)</u>	<u>0.0</u>	<u>(69)</u>	<u>2.0</u>	<u>(59)</u>
Industrial segments	<u>\$58.5</u>	<u>(3)%</u>	<u>\$57.7</u>	<u>10%</u>	<u>\$116.2</u>	<u>3%</u>



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

Units summary – orders

	<u>4Q'17</u>	<u>4Q'16</u>	<u>V</u>	<u>2017</u>	<u>2016</u>	<u>V</u>
Power:						
Gas Turbines	24	23	1	75	84	(9)
Renewable Energy:						
Onshore wind turbines	1,165	1,190	(25)	3,014	3,135	(121)
Aviation:						
CEO engines	543	578	(35)	2,565	2,658	(93)
GEnx engines ^{-a)}	33	90	(57)	92	143	(51)
LEAP engines ^{-a)}	343	255	88	1,418	1,167	251
Military engines	93	440	(347)	522	1,024	(502)
Transportation:						
Locomotives	358	-	358	438	26	412



(a- GEnx & LEAP engines are a subset of CEO engines)

Units summary – sales

	<u>4Q'17</u>	<u>4Q'16</u>	<u>V</u>	<u>2017</u>	<u>2016</u>	<u>V</u>
Power:						
Gas Turbines	39	35	4	102	104	(2)
Renewable Energy:						
Onshore wind turbines	725	789	(64)	2,798	3,283	(485)
Aviation:						
CEO engines	735	692	43	2,630	2,747	(117)
GEnx engines ^{-a)}	57	75	(18)	234	259	(25)
LEAP engines ^{-a)-b)}	202	44	158	459	77	382
Military engines	215	169	46	617	571	46
Spares rate ^{-c)}	\$27.4	\$20.2	\$7.2	\$23.5	\$18.9	\$4.6
Transportation:						
Locomotives	79	171	(92)	433	749	(316)



(a- GEnx & LEAP engines are a subset of CEO engines

(b- 4Q'17 includes 5 LEAP units reshipped from 1H'17, no impact to year-to-date

(c- Commercial spares rate in millions of dollars per day

Regional summary

(\$ in billions)

	Industrial Orders				Industrial Segment Revenue			
	4Q'17	V%	2017	V%	4Q'17	V%	2017	V%
Resource Rich ^{-a)}	\$10.5	7%	\$34.8	10%	\$8.9	4%	\$34.2	10%
Asia ^{-b)}	<u>4.9</u>	(3)%	<u>17.1</u>	14%	<u>4.4</u>	5%	<u>14.4</u>	4%
Growth Markets	15.4	3%	51.9	11%	13.3	4%	48.7	8%
Developed ^{-c)}	<u>19.6</u>	3%	<u>66.9</u>	4%	<u>18.9</u>	3%	<u>67.5</u>	-%
Total	<u>\$35.0</u>	3%	<u>\$118.8</u>	7%	<u>\$32.2</u>	3%	<u>\$116.2</u>	3%

(a - Resource Rich: Australia & New Zealand, Canada, Latin America, MENAT, Russia/CIS, & Sub Saharan Africa

(b - Asia: ASEAN, China, & India

(c - Developed: US, Europe, Japan, & Korea

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



Industrial segments organic revenue growth

(\$ in millions)

	4Q'17	4Q'16	V%	2017	2016	V%
Industrial segments revenue (GAAP)	\$32,214	\$31,147	3%	\$116,157	\$112,814	3%
Less the effects of:						
Acquisitions, dispositions and FX ^(a)	3,502	644		6,727	3,518	
Industrial segments revenue excluding the effects of acquisitions, dispositions and FX^(a) (non-GAAP)	\$28,712	\$30,503	(6)%	\$109,430	\$109,296	0%



(a- Translational foreign exchange

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

Organic revenue by segment

(\$ in millions)

	4Q'17	4Q'16	V%	2017	2016	V%
Power						
Reported Revenue	\$9,421	\$11,131	(15)%	\$35,990	\$36,795	(2)%
Less Acq./Disp. & FX ^(a)	329	593		485	752	
Organic Revenue ^(b)	9,092	10,538	(14)%	35,504	36,043	(1)%
Renewable Energy						
Reported Revenue	2,875	2,500	15%	10,280	9,033	14%
Less Acq./Disp. & FX ^(a)	153	-		513	-	
Organic Revenue ^(b)	2,722	2,500	9%	9,767	9,033	8%
Oil & Gas						
Reported Revenue	5,756	3,402	69%	17,231	12,898	34%
Less Acq./Disp. & FX ^(a)	2,798	-		5,327	1	
Organic Revenue ^(b)	2,957	3,402	(13)%	11,903	12,897	(8)%
Aviation						
Reported Revenue	7,222	7,187	0%	27,375	26,261	4%
Less Acq./Disp. & FX ^(a)	90	32		233	93	
Organic Revenue ^(b)	7,132	7,155	0%	27,142	26,167	4%
Healthcare						
Reported Revenue	5,402	5,101	6%	19,116	18,291	5%
Less Acq./Disp. & FX ^(a)	125	17		151	51	
Organic Revenue ^(b)	5,277	5,084	4%	18,965	18,240	4%
Transportation						
Reported Revenue	993	1,243	(20)%	4,178	4,713	(11)%
Less Acq./Disp. & FX ^(a)	-	3		7	21	
Organic Revenue ^(b)	993	1,240	(20)%	4,170	4,692	(11)%
Lighting						
Reported Revenue	546	584	(7)%	1,987	4,823	(59)%
Less Acq./Disp. & FX ^(a)	7	-		10	2,599	
Organic Revenue ^(b)	539	584	(8)%	1,977	2,224	(11)%

(a- Translational foreign exchange

(b- non-GAAP

Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total. Percentages are calculated from the underlying numbers in millions



Industrial revenue & operating profit

(\$ in millions)

	4Q'17	4Q'16	V%	2017	2016	V%
Revenue						
GE total revenue (GAAP)	\$23,645	\$31,294	(24)%	\$108,150	\$113,676	(5)%
Less: GE Capital earnings (loss)	(6,569)	215		(6,765)	(1,251)	
GE revenue excl. GE Capital earnings (loss)	\$30,214	\$31,078	(3)%	\$114,915	\$114,927	0%
(Industrial revenue) (GAAP)						
Less: gains on disposals	46	49		1,945	3,444	
Less: held for sale impairments	(1,392)	-		(1,392)	-	
Adjusted Industrial revenue (non-GAAP)	\$31,561	\$31,029	2%	\$114,363	\$111,483	3%
Costs						
GE total costs and expenses	30,729	27,883	10%	111,072	103,860	7%
Less: GE interest and other financial charges	834	536		2,753	2,026	
Industrial costs excluding interest and other financial charges (GAAP)	\$29,894	\$27,347	9%	\$108,320	\$101,834	6%
Less: non-operating pension costs (pre-tax)	570	517		2,279	2,052	
Less: restructuring and other charges	1,218	1,022		5,241	3,578	
Less: held for sale impairment costs	33	-		33	-	
Less: non-controlling interests	38	4		274	279	
Adjusted Industrial costs (non-GAAP)	\$28,035	\$25,803	9%	\$100,494	\$95,925	5%
Industrial profit (GAAP)	\$320	\$3,732	(91)%	\$6,595	\$13,093	(50)%
Industrial profit margins (GAAP)	1.1%	12.0%	(10.9)pts.	5.7%	11.4%	(5.7)pts.
Industrial operating profit (non-GAAP)	\$3,526	\$5,226	(33)%	\$13,868	\$15,558	(11)%
Industrial operating profit margins (non-GAAP)	11.2%	16.8%	(5.6)pts.	12.1%	14.0%	(1.9)pts.



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

Oil & Gas ex. BHI revenue & operating profit

(\$ in millions)

	Revenue			Operating Profit			Op Profit %		
	4Q'17	4Q'16	V%	4Q'17	4Q'16	V%	4Q'17	4Q'16	V pts.
Oil & Gas (GAAP)	\$5,756	\$3,402	69%	\$(105)	\$411	U%	(1.8)%	12.1%	(13.9)pts.
Less: Restr. & other charges (GE share)	-	-		(412)	-				
Adjusted Oil & Gas ex. restr. & other charges (non-GAAP)	\$5,756	\$3,402	69%	307	411	(25)%	5.3%	12.1%	(6.8)pts.
Less: BHI ^(a)	2,662	-		204	-				
Oil & Gas ex. BHI & restr. & other charges (non-GAAP)	\$3,094	\$3,402	(9)%	\$102	\$411	(75)%	3.3%	12.1%	(8.8)pts.



(a- Excludes restructuring & other charges

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

GE Capital excluding 4Q adjustments

(\$ in millions)

4Q'17 Net Income	Capital Verticals	Other Continuing	Capital	Disc. Ops.	GE Capital
GE Capital <small>(GAAP)</small>	\$(7,585)	\$1,016	\$(6,569)	\$182	\$(6,388)
Less: Insurance	(6,162)	-	(6,162)	-	(6,162)
Less: EFS impairments	(1,781)	-	(1,781)	-	(1,781)
Less: Tax reform	236	(30)	206	-	206
Adj. GE Capital <small>(non-GAAP)</small>	\$122	\$1,045	\$1,167	\$182	\$1,349



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

Non-GAAP reconciliation

Corporate revenue & operating profit (cost)

(\$ in millions)

	4Q'17	4Q'16	V%	2017	2016	V%
Revenue						
Gains (losses) on dispositions	\$46	\$49		\$1,945	\$3,444	
Held for sale impairments	(1,392)	-		(1,392)	-	
Corporate operations & eliminations	(1,011)	(756)		(3,687)	(3,471)	
Total Corporate revenue (GAAP)	(2,358)	(708)	U	(3,135)	(26)	U
Operating Profit (Cost)						
Gains (losses) on dispositions	\$46	\$49		\$1,945	\$3,444	
Held for sale impairments	(1,425)	-		(1,425)	-	
Principal retirement plans ^{-a)}	(568)	(554)		(2,236)	(2,044)	
Restructuring and other charges	(807)	(1,022)		(4,561)	(3,578)	
Other Corporate costs & eliminations	(429)	(579)		(1,593)	(2,048)	
Total Corporate costs (continuing) (GAAP)	(3,184)	(2,106)		(7,871)	(4,226)	
Less: Non-operating pension cost	(570)	(517)		(2,278)	(2,052)	
Total Corporate (operating) profit (non-GAAP)	(2,613)	(1,589)		(5,592)	(2,175)	
Less: restructuring & other, gains	(2,186)	(973)		(4,042)	(134)	
Adj. Total Corporate (operating) (non-GAAP)	\$(427)	\$(616)	31%	\$(1,551)	\$(2,040)	24%



(a- Includes non-operating pension

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

Operating & Industrial operating + Verticals earnings/(loss) & EPS

(\$ in millions except earnings per share)

	4Q'17	4Q'16	V%	2017	2016	V%
Earnings/(loss) from continuing operations attributable to common shareholders (GAAP)	\$(10,008)	\$3,483	U	\$(5,907)	\$9,128	U
Less: non-operating pensions costs (net of tax)	(371)	(336)		(1,482)	(1,334)	
Operating earnings/(loss) (non-GAAP)	(9,637)	3,819	U	(4,425)	10,462	U
Less: Other GE Capital (non-GAAP)	1,016	(262)		(557)	(3,143)	
Industrial Operating plus Verticals earnings/(loss) (non-GAAP)	\$(10,653)	\$4,081	U	\$(3,869)	\$13,605	U
Industrial Operating earnings/(loss) (non-GAAP)	\$(3,068)	\$3,603	U	\$2,339	\$11,713	(80)%
GE Capital Verticals earnings/(loss) (non-GAAP)	\$(7,585)	\$478	U	\$(6,208)	\$1,892	U
<u>Earnings/(loss) per share (EPS) - diluted^{-a)}</u>						
Continuing EPS (GAAP)	\$(1.15)	\$0.39	U	\$(0.68)	\$1.00	U
Less: non-operating pensions costs (net of tax)	(0.04)	(0.04)		(0.17)	(0.15)	
Operating EPS (non-GAAP)	(1.11)	0.43	U	(0.51)	1.14	U
Less: Other GE Capital (non-GAAP)	0.12	(0.03)		(0.06)	(0.34)	
Industrial Operating plus Verticals EPS (non-GAAP)	\$(1.23)	\$0.46	U	\$(0.45)	\$1.49	U
Industrial Operating EPS (non-GAAP)	\$(0.35)	\$0.40	U	\$0.27	\$1.28	(79)%
GE Capital Verticals EPS (non-GAAP)	\$(0.87)	\$0.05	U	\$(0.71)	\$0.21	U



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

Industrial operating + Verticals earnings/(loss) & EPS excluding 4Q adjustments

(\$ in millions except earnings per share)

	4Q'17	4Q'16	V%	2017	2016	V%
Industrial Operating plus Verticals earnings/(loss) (non-GAAP)	\$(10,653)	\$4,081	U	\$(3,869)	\$13,605	U
Less: Industrial 4Q adjustments ^{a)}	(1,552)	-		(1,552)	-	
Less: Insurance adjustment	(6,162)	-		(6,162)	-	
Less: EFS impairments	(1,781)	-		(1,781)	-	
Less: Industrial tax reform	(3,718)	-		(3,718)	-	
Less: Capital Verticals tax reform	236	-		236	-	
Industrial Operating plus Verticals earnings ex. 4Q adjustments (non-GAAP)	\$2,325	\$4,081	(43)%	\$9,109	\$13,605	(33)%
Industrial Operating earnings (non-GAAP)	\$2,203	\$3,603	(39)%	\$7,610	\$11,713	(35)%
GE Capital Verticals earnings (non-GAAP)	\$122	\$478	(74)%	\$1,500	\$1,892	(21)%
<u>Earnings per share (EPS) - diluted^{a)}</u>						
Industrial Operating plus Verticals EPS (non-GAAP)	\$(1.23)	\$0.46	U	\$(0.45)	\$1.49	U
Less: Industrial 4Q adjustments ^{a)}	(.18)	-		(.18)	-	
Less: Insurance adjustment	(.71)	-		(.71)	-	
Less: EFS impairments	(.20)	-		(.20)	-	
Less: Industrial tax reform	(.43)	-		(.43)	-	
Less: Capital Verticals tax reform	.03	-		.03	-	
Industrial Operating plus Verticals EPS ex. 4Q adjustments (non-GAAP)	\$0.27	\$0.46	(41)%	\$1.05	\$1.49	(30)%
Industrial Operating earnings (non-GAAP)	\$0.25	\$0.40	(38)%	\$0.88	\$1.28	(31)%
GE Capital Verticals earnings (non-GAAP)	\$0.01	\$0.05	(80)%	\$0.17	\$0.21	(19)%
Industrial Operating plus Verticals earnings (non-GAAP)						



(a- Includes lower of cost or market (LOCOM) adjustments for C&L businesses held for sale of \$(843)MM and businesses held for sale at Aviation of \$(494)MM, as well as an impairment charge recorded for Power Conversion goodwill in the fourth quarter of \$(215)MM
(b- Earnings per share amounts are computed independently. As a result, the sum of per share amounts may not equal the total.

GE effective tax rate (ex. GE Capital)

(\$ in millions)

	4Q'17	4Q'16	2017	2016
GE earnings/(loss) from continuing operations before income taxes <small>(GAAP)</small>	\$(7,084)	\$3,411	\$(2,922)	\$9,815
Less: GE Capital earnings (loss) from continuing ops.	(6,569)	215	(6,765)	(1,251)
Adjusted earnings/(loss) from continuing ops. before income taxes <small>(non-GAAP)</small>	\$(514)	\$3,195	\$3,842	\$11,066
GE (ex. GE Capital) provision for income taxes - continuing ops.	\$2,962	\$(67)	\$3,259	\$967
Effective tax rate GE (ex. GE Capital) <small>(non-GAAP)</small>	(576)%	(2)%	85%	9%



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)

	4Q'17	4Q'16	V\$	2017	2016	V\$
Industrial costs excluding interest and other financial charges (GAAP)	\$29,894	\$27,347	\$2,548	\$108,320	\$101,834	\$6,486
Less: Segment variable costs	22,385	19,559		77,749	72,252	
Less: Corporate revenue ex. GE-GECC elimination and gains on disposals	(2,037)	(117)		(3,169)	(1,332)	
Less: Corp. restr. & other charges	2,231	1,022		5,986	3,578	
Less: Corp. non-operating pension cost	570	517		2,278	2,052	
Less: Corp. non-controlling interests	(1)	-		(1)	(7)	
Less: Oil & Gas restr. & other charges ^{-a)}	406	-		769	-	
Industrial structural costs (non-GAAP)	\$6,339	\$6,367	\$(28)	\$24,707	\$25,291	\$(584)
Less: acquisitions and dispositions structural costs	675	182		1,679	568	
Industrial structural costs ex. acquisitions & dispositions (non-GAAP)	\$5,664	\$6,185	\$(521)	\$23,028	\$24,723	\$(1,694)



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

(a – \$412MM and \$679MM net of non-controlling interest for the three and nine months ended December 31, 2017, respectively.)

Ind'l CFOA & Free Cash Flow (BHGE dividend basis)

(\$ in millions)

	4Q'17	4Q'16	2017	2016
Cash from GE's operating activities (CFOA) (GAAP)	\$6,990	\$11,618	\$11,040	\$29,960
Less: GE Capital dividends	-	4,045	4,016	20,095
Industrial CFOA (non-GAAP)	\$6,990	\$7,573	\$7,024	\$9,865
Less: Taxes related to business sales	(117)	(322)	(229)	(1,398)
Less: GE Pension Plan funding	(287)	(347)	(1,718)	(347)
Industrial CFOA excluding taxes related to business sales and GE Principal Pension Plan funding (non-GAAP)	\$7,393	\$8,242	\$8,970	11,610
Less: BHGE CFOA	(234)	-	(477)	-
Plus: BHGE Class B shareholder dividend	129	-	251	-
Ind'l CFOA excluding taxes related to business sales and GE Principal Pension Plan funding, with BHGE on a dividend basis (non-GAAP)	\$7,757	\$8,242	\$9,698	11,610
Plus: Gross additions to PP&E	(1,082)	(954)	(4,132)	(3,758)
Plus: Gross additions to Software	(123)	(182)	(518)	(740)
Less: BHGE gross additions to PP&E	(237)	-	(488)	-
Less: BHGE gross additions to Software	(10)	-	(34)	-
Gross Ind'l Free cash flow excluding taxes related to business sales and GE Principal Pension Plan funding, with BHGE on a dividend basis (non-GAAP)	\$6,800	\$7,107	5,569	7,112

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

Ind'l Free Cash Flow conversion (BHGE dividend basis)

(\$ in millions)

Gross Ind'l Free cash flow excluding taxes related to business sales and GE Principal Pension Plan funding, with BHGE on a dividend basis (Non-GAAP)

\$5,569

\$7,112

	2017	2016
Continuing net income (GAAP)	\$857	\$10,378
Less: Gains, after tax	1,883	2,351
Less: Industrial impairments, after tax	(2,696)	-
Less: Non-operating pension, after tax	(1,482)	(1,334)
Less: Industrial tax reform impact	(3,718)	-
Continuing net income excluding gains and non-operating pension on a BHGE dividend basis (non-GAAP)	6,870	9,361
FCF conversion	81%	76%



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

GE Capital segment results

(\$ in millions) – net earnings/(loss)

	<u>4Q'17</u>	<u>4Q'16</u>	<u>V%</u>
GECAS	\$1,133	\$321	F
EFS	(1,600)	42	U
Industrial Finance	96	130	(26)
Other ^{a)}	(7,214)	(16)	U
Verticals	(7,585)	478	U
Other continuing operations ^{b)}	1,016	(262)	F
Capital segment profit/(loss)	(6,569)	215	U
Earnings from discontinued ops.	182	3	F
GE Capital net earnings/(loss) attributable to GE common shareowners	<u>\$(6,388)</u>	<u>\$218</u>	U



(a – Includes run-off insurance business and allocated corporate costs

(b – Includes impact of preferred stock dividends

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

GE Capital segment assets

(\$ in billions)

	<u>4Q'17</u>	<u>4Q'16</u>	<u>V%</u>
GECAS	\$40.0	\$41.3	(3)%
EFS	9.9	11.7	(15)
Industrial Finance	25.8	25.4	1
Other	39.9	35.7	11
Verticals	115.5	114.1	1%
Other continuing operations	35.3	54.1	(35)
Capital segment assets	150.8	168.2	(10)%
Assets of discontinued operations	5.9	14.8	(60)
GE Capital total assets	\$156.7	\$183.0	(14)%



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

2018E Adjusted EPS

\$1.00-1.07

Items not included in non-GAAP metric:

1. Non-operating pension costs. This amount is affected by, among other things, the timing of voluntary funding and associated asset allocation.
2. Gains & restructuring net income/(loss). This amount is affected by, among other things:
 - The timing and magnitude of gains/(loss) 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've 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 Industrial Free Cash Flow

	<u>2018F</u>
GE CFOA	~\$3-4
Less: GE Capital dividend	-
Industrial CFOA	~\$3-4
Less: pension & deal taxes	~(6)
Industrial CFOA ex. deal taxes & pension	~\$9-10
Less: Oil & Gas CFOA	~1
Plus: BHGE distribution	~1
Adjusted Industrial CFOA	~\$9-10
Plus: Gross PP&E & capitalized software	~(4)
Less: Gross Oil & Gas PP&E & cap. software	~(1)
Adjusted Industrial free cash flow	~\$6-7



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 following Non-GAAP information which management believes provides useful information to investors.

Operating and non-operating pension costs

We have provided the operating and non-operating components of cost for our principal pension plans. Operating pension costs comprise the service cost of benefits earned, prior service cost amortization and curtailment loss for our principal pension plans. Non-operating pension costs comprise the expected return on plan assets, interest cost on benefit obligations and net actuarial loss amortization for our principal pension plans. We believe that the operating components of pension costs better reflects the ongoing service-related costs of providing pension benefits to our employees. We believe that the operating and non-operating components of cost for our principal pension plans, considered along with the corresponding GAAP measure, provide management and investors with additional information for comparison of our pension plan costs and operating results with the pension plan costs and operating results of other companies.

Adjusted corporate costs (operating)

Operating corporate costs exclude non-service-related pension costs of our principal pension plans, which comprise interest costs, expected return on plan assets and amortization of actuarial gains/losses. Service cost, prior service cost and curtailment loss components of our principal pension plans are included in operating corporate costs. We believe that these components of pension cost better reflect the ongoing service-related costs of providing pension benefits to our employees. Accordingly, we believe that our measure of operating corporate costs provides management and investors with a useful measure of the operational costs incurred outside of our businesses. We believe that this measure, considered along with the corresponding GAAP measure, provides management and investors with additional information for comparison of our operating corporate costs to the operating corporate costs of other companies.

We also believe that adjusting operating corporate costs to exclude 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 and other charges, provides management and investors with a meaningful measure that increases the period-to-period comparability of our ongoing corporate costs.



Non-GAAP supplemental information

Industrial Segment Organic Revenue Growth

Organic revenue growth measures revenue 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 revenue growth 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 revenue growth" 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.

Industrial Segment Organic Operating Profit Growth

Operating profit growth 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 operating profit growth" 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 supplemental information

Industrial Cash Flows from Operating Activities (Industrial CFOA)

We define "Industrial CFOA" as GE's cash from operating activities (continuing operations) less the amount of dividends received by GE from GE Capital. This reflects the effects of intercompany transactions, which include, but are not limited to, the following: GE Capital working capital solutions to optimize GE cash management; GE Capital enabled GE industrial orders; aircraft engines, power equipment, renewable energy equipment and healthcare equipment manufactured by GE that are installed on GE Capital investments, including leased equipment; expenses related to parent-subsidary pension plans; buildings and equipment leased between GE and GE Capital, including sale-leaseback transactions; information technology (IT) and other services sold to GE Capital by GE; and various investments, loans and allocations of GE corporate overhead costs.

We believe that investors may find it useful to compare GE's operating cash flows without the effect of GE Capital dividends, since these dividends are not representative of the operating cash flows of our industrial businesses and can vary from period-to-period based upon the results of the financial services businesses. We also believe that investors may find it useful to compare Industrial CFOA excluding the effects of deal taxes paid related primarily to the 2016 Appliances business sale, the 2017 Baker Hughes transaction, the 2017 Water business sale and contributions to our GE Pension Plan and including the effects of BHGE on a dividend basis. Management recognizes that these measures may not be comparable to cash flow results of companies which contain both industrial and financial services businesses, but believes that this comparison is aided by the provision of additional information about the amounts of dividends paid by our financial services business and the separate presentation in our financial statements of the GE Capital cash flows. We believe that our measure of Industrial CFOA and Adjusted Industrial CFOA provides management and investors with useful measures to compare the capacity of our industrial operations to generate operating cash flow with the operating cash flow of other non-financial businesses and companies and as such provides useful measures to supplement the reported GAAP CFOA measure.



Non-GAAP supplemental information

Free cash flow (FCF)

We define FCF as GE's cash from operating activities (continuing operations) less GE additions to property, plant and equipment and investments in software, which are included in cash flows from investing activities. We believe that FCF is a useful financial metric to assess our ability to pursue opportunities to enhance our growth. We also believe that presenting FCF 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 FCF 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.

Industrial operating earnings and EPS and GE Capital operating earnings (loss) and EPS

Operating earnings (loss) excludes non-service related pension costs of our principal pension plans comprising interest cost, expected return on plan assets and amortization of actuarial gains/losses. The service cost, prior service cost and curtailment loss components of our principal pension plans are included in operating earnings. We believe that these components of pension cost better reflect the ongoing service-related costs of providing pension benefits to our employees. As such, we believe that our measure of operating earnings (loss) provides management and investors with a useful measure of the operational results of our business. Other components of GAAP pension cost are mainly driven by capital allocation decisions and market performance, and we manage these separately from the operational performance of our businesses. Neither GAAP nor operating pension costs are necessarily indicative of the current or future cash flow requirements related to our pension plan. We also believe that this measure, considered along with the corresponding GAAP measure, provides management and investors with additional information for comparison of our operating results to the operating results of other companies.

We believe that presenting operating earnings and operating EPS separately for our industrial and 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.



Non-GAAP supplemental information

GE Industrial Operating + Verticals EPS

As described above, Verticals represents the GE Capital businesses that we expect to retain. We believe that presenting Industrial operating + Vertical earnings-per-share amounts provides management and investors with a useful measure to evaluate the performance of the businesses we expect to retain after the disposition of most of our financial services business. We also believe that adjusting Industrial operating earnings + Verticals earnings and EPS to exclude the effects of items that are not closely associated with ongoing operations, such as gains on disposed businesses and restructuring and other charges, provides management and investors with a meaningful measure that increases period-to-period comparability.

Industrial Operating Profit & Operating Profit Margin

We have presented our Industrial operating profit and operating profit margin excluding gains, non-operating pension costs (pre-tax), restructuring and other charges, and noncontrolling interests. We believe that Industrial operating profit and operating profit margin adjusted for these items are meaningful measures because they increase the comparability of period-to-period results

GE effective tax rate (ex. GE Capital)

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 that in addition to the Consolidated and GE Capital tax rates, this supplemental measure 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.

Structural Costs

Industrial structural costs include segment structural costs excluding the impact of business acquisitions and dispositions, plus total Corporate operating profit excluding non-operating pension costs, restructuring and other charges and gains. We believe that Industrial structural costs are a meaningful measure as they are broader than selling, general and administrative costs and represent the total structural costs in the Industrial segments and Corporate that generally do not vary with volume.



