

GE 2Q'16 supplemental information



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Imagination at work.

* Non-GAAP financial measures. See the following pages for reconciliations of these measures to the most directly comparable GAAP financial measures. Also see the Non-GAAP supplemental materials section for descriptions of non-GAAP financial measures and the reasons we believe that they provide useful information to investors.

Orders & backlog by segment

(\$ in billions)

	2Q'16		2Q'16 YTD		2Q'16	
	Orders	V%	Orders	V%	Backlog	V%
Power	\$7.7	41%	\$13.3	51%	\$79.2	38%
- Core	4.9	(11)	9.0	2	62.6	9
- Alstom	2.9		4.3		16.6	
Renewable Energy	2.0	(6)	4.0	29	12.6	F
- Core	1.8	(16)	3.5	15	7.4	26
- Alstom	0.2		0.4		5.1	
Oil & Gas	2.8	(34)	5.3	(39)	22.7	(7)
- Core	2.8	(35)	5.2	(40)	22.6	(8)
- Alstom	0.0		0.1		0.1	
Energy Connections	3.0	45	5.6	36	11.9	F
- Core	1.6	(23)	3.0	(28)	3.5	(36)
- Alstom	1.4		2.6		8.4	
Aviation	6.4	(15)	13.0	(14)	156.1	10
Healthcare	4.9	3	9.1	2	16.8	6
Transportation	0.7	(51)	1.3	(53)	20.7	(2)
Infrastructure	\$26.6	(2)%	\$50.1	- %	\$319.6	17%
- Core	22.1	(18)	42.6	(15)	289.3	6
- Alstom	4.5		7.5		30.3	



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

Equipment/service orders by segment – 2Q'16

(\$ in billions)

	<u>Equipment</u>	<u>V%</u>	<u>Service</u>	<u>V%</u>	<u>Total</u>	<u>V%</u>
Power	\$3.1	67%	\$4.6	28%	\$7.7	41%
- Core	1.4	(26)	3.5	(4)	4.9	(11)
- Alstom	1.7		1.1		2.9	
Renewable Energy	1.6	(23)	0.4	F	2.0	(6)
- Core	1.4	(28)	0.4	F	1.8	(16)
- Alstom	0.1		0.1		0.2	
Oil & Gas	0.9	(58)	1.9	(10)	2.8	(34)
- Core	0.9	(59)	1.9	(10)	2.8	(35)
- Alstom	0.0		0.0		0.0	
Energy Connections	2.2	48	0.7	36	3.0	45
- Core	1.1	(27)	0.5	(12)	1.6	(23)
- Alstom	1.1		0.3		1.4	
Aviation	2.5	(37)	3.9	8	6.4	(15)
Healthcare	2.9	6	2.0	0	4.9	3
Transportation	0.1	(77)	0.6	(36)	0.7	(51)
Infrastructure	\$12.9	(11)%	\$13.7	9%	\$26.6	(2)%
- Core	9.9	(32)	12.2	(3)	22.1	(18)
- Alstom	3.0		1.5		4.5	



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>3Q'15</u>	<u>V%</u>	<u>4Q'15</u>	<u>V%</u>	<u>1Q'16</u>	<u>V%</u>	<u>2Q'16</u>	<u>V%</u>	<u>Four qtr. rolling average</u>	<u>V%</u>
Power	\$1.7	13%	\$5.0	58%	\$1.8	F	\$3.1	67%	\$2.9	56%
- Core			4.6	46	1.4	57	1.4	(26)	2.3	22
- Alstom			0.4		0.4		1.7		0.6	
Renewable Energy	1.7	2	2.3	(1)	1.8	F	1.6	(23)	1.9	7
- Core			1.9	(20)	1.6	94	1.4	(28)	1.7	(3)
- Alstom			0.4		0.2		0.1		0.2	
Oil & Gas	1.1	(61)	1.2	(52)	0.7	(70)	0.9	(58)	1.0	(60)
- Core			1.2	(52)	0.6	(71)	0.9	(59)	0.9	(60)
- Alstom-a)			0.0		0.0		0.0		0.0	
Energy Connections	1.6	6	2.0	20	2.0	37	2.2	48	2.0	28
- Core			1.1	(34)	1.0	(30)	1.1	(27)	1.2	(22)
- Alstom			0.9		1.0		1.1		0.8	
Aviation	2.8	(58)	2.8	(36)	2.6	(35)	2.5	(37)	2.7	(44)
Healthcare	2.6	(5)	3.2	(5)	2.4	3	2.9	6	2.8	(1)
Transportation	0.1	(95)	2.6	F	0.1	(89)	0.1	(77)	0.7	(47)
Infrastructure	<u>\$11.2</u>	<u>(43)%</u>	<u>\$18.7</u>	<u>2%</u>	<u>\$11.0</u>	<u>(8)%</u>	<u>\$12.9</u>	<u>(11)%</u>	<u>\$13.5</u>	<u>(17)%</u>
- Core			17.1	(7)	9.4	(21)	9.9	(32)	11.9	(26)
- Alstom			1.7		1.6		3.0		1.6	



(a- Industrial Steam Turbines

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 - 2Q'16

(\$ in billions)

	2Q'16		2Q'16		2Q'16	
	Equipment	V%	Services	V%	Total	V%
Power	\$2.3	26%	\$4.3	34%	\$6.6	31%
- Core	1.8	(5)	3.4	7	5.2	2
- Alstom	0.6		0.9		1.5	
Renewable Energy	1.9	26	0.2	53	2.1	28
- Core	1.7	15	0.1	6	1.9	14
- Alstom	0.2		0.1		0.2	
Oil & Gas	1.5	(31)	1.8	(13)	3.2	(22)
- Core	1.4	(33)	1.8	(13)	3.2	(23)
- Alstom	0.0		0.0		0.0	
Energy Connections	2.2	70	0.6	16	2.7	55
- Core	0.9	(28)	0.4	(26)	1.3	(27)
- Alstom	1.2		0.2		1.4	
Aviation	2.9	(7)	3.6	16	6.5	4
Healthcare	2.5	6	2.0	2	4.5	4
Transportation	0.6	(4)	0.6	(20)	1.2	(13)
Appliances & Lighting	1.6	(25)	0.1	(27)	1.7	(25)
Industrial segments	\$15.5	3%	\$13.1	11%	\$28.6	7%
- Core	13.5	(10)	12.0	2	25.5	(5)
- Alstom	2.0		1.2		3.2	



Note: Certain columns and rows may not add due to the use of rounded numbers. Percentages presented are calculated from the underlying numbers in millions

Equipment/service revenue by segment - 2Q'16 YTD

(\$ in billions)

	2Q'16 YTD		2Q'16 YTD		2Q'16 YTD	
	Equipment	V%	Services	V%	Total	V%
Power	\$3.8	-%	\$8.0	37%	\$11.8	23%
- Core	2.8	(27)	6.2	6	9.0	(7)
- Alstom	1.0		1.8		2.9	
Renewable Energy	3.4	40	0.3	53	3.8	41
- Core	3.0	23	0.2	7	3.2	22
- Alstom	0.4		0.1		0.5	
Oil & Gas	3.0	(27)	3.5	(13)	6.5	(20)
- Core	3.0	(28)	3.5	(13)	6.5	(21)
- Alstom	0.1		0.0		0.1	
Energy Connections	3.9	57	1.1	11	5.0	45
- Core	1.8	(28)	0.7	(30)	2.5	(29)
- Alstom	2.1		0.4		2.5	
Aviation	5.7	(3)	7.1	16	12.8	7
Healthcare	4.8	5	3.9	2	8.7	4
Transportation	1.1	(23)	1.2	(14)	2.2	(19)
Appliances & Lighting	3.5	(12)	0.2	(10)	3.7	(12)
Industrial segments	\$29.2	2%	\$25.3	12%	\$54.5	6%
- Core	25.6	(11)	23.0	2	48.5	(5)
- Alstom	3.7		2.3		6.0	



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Non-GAAP reconciliation

Industrial segment revenue & operating profit

	<u>2Q'16</u>	<u>2Q'15</u>	<u>V%</u>	<u>2Q'16 YTD</u>	<u>2Q'15 YTD</u>	<u>V%</u>
Total GE revenue (GAAP)	\$30,604	\$26,578	15%	\$55,210	\$44,748	23%
Less: Capital earnings	(600)	(332)		(1,492)	(6,053)	
Less: Gains	3,129	499		3,188	499	
Plus: GE-Capital elim	(480)	(374)		(1,020)	(892)	
Industrial revenue w. GE-Capital elim (non-GAAP)	<u>27,595</u>	<u>26,037</u>	6%	<u>52,495</u>	<u>49,411</u>	6%
Less: GE-Capital elim	(480)	(374)		(1,020)	(892)	
Industrial revenue (non-GAAP)	<u>28,075</u>	<u>26,411</u>	6%	<u>53,515</u>	<u>50,303</u>	6%
Less: Core Corporate	(1,036)	(789)		(2,004)	(1,777)	
Plus: GE-Capital elim	(480)	(374)		(1,020)	(892)	
Industrial segment revenue (non-GAAP)	<u>28,630</u>	<u>26,826</u>	7%	<u>54,499</u>	<u>51,188</u>	6%
GE earnings from continuing operations before income taxes (GAAP)	\$3,847	\$2,395	61%	\$4,141	\$(1,974)	F
Less: Capital earnings	(600)	(332)		(1,492)	(6,053)	
Less: Non-operating pension	(511)	(689)		(1,023)	(1,384)	
Less: Interest	(567)	(414)		(1,007)	(803)	
Less: Minority Interest	(82)	132		(199)	6	
Less: Preferred Dividend	-	(161)		-	(161)	
Industrial op profit (non-GAAP)	<u>5,607</u>	<u>3,860</u>	45%	<u>7,863</u>	<u>6,423</u>	22%
Less: Gains & restructuring	1,941	100		1,313	(322)	
Adjusted Industrial op profit (non-GAAP)	<u>3,667</u>	<u>3,760</u>	(2)%	<u>6,550</u>	<u>6,745</u>	(3)%
Less: Core Corporate	(456)	(596)		(887)	(1,170)	
Industrial segment op profit (non-GAAP)	<u>4,122</u>	<u>4,355</u>	(5)%	<u>7,437</u>	<u>7,915</u>	(6)%



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Non-GAAP reconciliation

Industrial segment organic revenue growth

(\$ in millions)

	2Q'16	2Q'15	V%	2Q'16 YTD	2Q'15 YTD	V%
Industrial segment revenue	\$28,630	\$26,826	7%	\$54,499	\$51,188	6%
Less the effects of:						
Acquisitions, business dispositions (other than dispositions of businesses acquired for investment) & translational foreign exchange	4,185	2,202		6,471	2,743	
Industrial segment revenues excluding the effects of acquisitions, business dispositions (other than dispositions of businesses acquired for investment), translational foreign exchange (Non-GAAP)	\$24,445	\$24,624	(1)%	\$48,028	\$48,446	(1)%
Less: Oil & Gas organic revenue	3,212	4,093		6,672	8,100	
Industrial segment organic revenue excluding the impact of Oil & Gas	\$21,234	\$20,531	3%	\$41,356	\$40,346	3%



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Non-GAAP reconciliation

Organic revenue growth history – 1H & 2H'15

(\$ in millions)

	Power			Oil & Gas			All other segments			Industrial Seg.		
	1H'15	1H'14	V%	1H'15	1H'14	V%	1H'15	1H'14	V%	1H'15	1H'14	V%
Revenue	\$9,667	\$9,060	7%	\$8,157	\$9,202	(11)%	\$33,364	\$33,120	1%	\$51,188	\$51,382	-%
Less acq, disp. & FX	(424)	29		(592)	284		(965)	174		(1,981)	487	
Organic revenue	<u>\$10,091</u>	<u>\$9,031</u>	<u>12%</u>	<u>\$8,749</u>	<u>\$8,918</u>	<u>(2)%</u>	<u>\$34,329</u>	<u>\$32,946</u>	<u>4%</u>	<u>\$53,169</u>	<u>\$50,895</u>	<u>4%</u>

	Power			Oil & Gas			All other segments			Industrial Seg.		
	2H'15	2H'14	V%	2H'15	2H'14	V%	2H'15	2H'14	V%	2H'15	2H'14	V%
Revenue	\$11,823	\$11,520	3%	\$8,293	\$9,883	(16)%	\$37,492	\$36,942	1%	\$57,608	\$58,345	(1)%
Less acq, disp. & FX	505	1		(836)	66		(170)	717		(501)	783	
Organic revenue	<u>\$11,318</u>	<u>\$11,520</u>	<u>(2)%</u>	<u>\$9,129</u>	<u>\$9,818</u>	<u>(7)%</u>	<u>\$37,662</u>	<u>\$36,225</u>	<u>4%</u>	<u>\$58,109</u>	<u>\$57,562</u>	<u>1%</u>



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Non-GAAP reconciliation

Organic revenue growth history – 2015 & 1H'16

(\$ in millions)

	Power			Oil & Gas			All other segments			Industrial Seg.		
	2015	2014	V%	2015	2014	V%	2015	2014	V%	2015	2014	V%
Revenue	21,490	20,580	4%	16,450	19,085	(14)%	70,856	70,062	1%	108,796	109,727	(1)%
Less acq, disp. & FX	82	29		(1,427)	349		(1,134)	891		(2,479)	1,270	
Organic revenue	<u>21,408</u>	<u>20,551</u>	<u>4%</u>	<u>17,878</u>	<u>18,735</u>	<u>(5)%</u>	<u>71,990</u>	<u>69,172</u>	<u>4%</u>	<u>111,276</u>	<u>108,457</u>	<u>3%</u>

	Power			Oil & Gas			All other segments			Industrial Seg.		
	1H'16	1H'15	V%	1H'16	1H'15	V%	1H'16	1H'15	V%	1H'16	1H'15	V%
Revenue	\$11,843	\$9,667	23%	\$6,533	\$8,157	(20)%	\$36,124	\$33,364	8%	\$54,499	\$51,188	6%
Less acq, disp. & FX	2,786	-		(139)	57		3,825	2,686		6,471	2,743	
Organic revenue	<u>\$9,057</u>	<u>\$9,667</u>	<u>(6)%</u>	<u>\$6,672</u>	<u>\$8,100</u>	<u>(18)%</u>	<u>\$32,299</u>	<u>\$30,678</u>	<u>5%</u>	<u>\$48,028</u>	<u>\$48,446</u>	<u>(1)%</u>



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Non-GAAP reconciliation

Industrial segment organic op profit growth

(\$ in millions)

	2Q'16	2Q'15	V%	2Q'16 YTD	2Q'15 YTD	V%
Industrial segment op profit	\$4,122	\$4,355	(5)%	\$7,437	\$7,915	(6)%
Less the effects of:						
Acquisitions, business dispositions (other than dispositions of businesses acquired for investment) & translational foreign exchange	232	204		176	245	
Industrial segment op profit excluding the effects of acquisitions, business dispositions (other than dispositions of businesses acquired for investment), translational foreign exchange (Non-GAAP)	\$3,890	\$4,151	(6)%	\$7,260	\$7,670	(5)%



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Non-GAAP reconciliation

Industrial organic op profit growth

(\$ in millions)

	2Q'16	2Q'15	V%	2Q'16 YTD	2Q'15 YTD	V%
Industrial segment op profit	\$4,122	\$4,355	(5)%	\$7,437	\$7,915	(6)%
Plus: Adjusted Corporate costs (operating)-a)	(456)	(596)		(887)	(1,170)	
Industrial op profit-a)	\$3,667	\$3,760	(2)%	\$6,550	\$6,745	(3)%
Less the effects of:						
Acquisitions, business dispositions (other than dispositions of businesses acquired for investment) & translational foreign exchange	244	204		192	245	
Industrial segment op profit excluding the effects of acquisitions, business dispositions (other than dispositions of businesses acquired for investment), translational foreign exchange-a) (Non-GAAP)	\$3,423	\$3,556	(4)%	\$6,358	\$6,500	(2)%



(a- Excluding gains and restructuring & other items

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Organic revenue by segment Non-GAAP reconciliation

(\$ in millions)

	<u>2Q'16</u>	<u>2Q'15</u>	<u>V%</u>	<u>2Q'16 YTD</u>	<u>2Q'15 YTD</u>	<u>V%</u>
Power						
Reported Revenue	6,639	5,055	31%	11,843	9,667	23%
Less Acq./Disp. & FX-a)	1,451	-		2,786	-	
Organic Revenue-b)	<u>5,188</u>	<u>5,055</u>	<u>3%</u>	<u>9,057</u>	<u>9,667</u>	<u>(6)%</u>
Renewable Energy						
Reported Revenue	2,094	1,641	28%	3,763	2,669	41%
Less Acq./Disp. & FX-a)	183	4		385	19	
Organic Revenue-b)	<u>1,911</u>	<u>1,637</u>	<u>17%</u>	<u>3,378</u>	<u>2,650</u>	<u>27%</u>
Oil & Gas						
Reported Revenue	3,219	4,118	(22)%	6,533	8,157	(20)%
Less Acq./Disp. & FX-a)	7	25		(139)	57	
Organic Revenue-b)	<u>3,212</u>	<u>4,093</u>	<u>(22)%</u>	<u>6,672</u>	<u>8,100</u>	<u>(18)%</u>
Energy Connections						
Reported Revenue	2,734	1,768	55%	4,994	3,453	45%
Less Acq./Disp. & FX-a)	1,424	406		2,455	781	
Organic Revenue-b)	<u>1,311</u>	<u>1,362</u>	<u>(4)%</u>	<u>2,539</u>	<u>2,672</u>	<u>(5)%</u>
Aviation						
Reported Revenue	6,511	6,251	4%	12,774	11,926	7%
Less Acq./Disp. & FX-a)	4	-		(3)	-	
Organic Revenue-b)	<u>6,508</u>	<u>6,251</u>	<u>4%</u>	<u>12,777</u>	<u>11,926</u>	<u>7%</u>
Healthcare						
Reported Revenue	4,525	4,337	4%	8,708	8,412	4%
Less Acq./Disp. & FX-a)	(20)	30		(133)	61	
Organic Revenue-b)	<u>4,545</u>	<u>4,307</u>	<u>6%</u>	<u>8,841</u>	<u>8,351</u>	<u>6%</u>
Transportation						
Reported Revenue	1,240	1,420	(13)%	2,222	2,728	(19)%
Less Acq./Disp. & FX-a)	-	102		-	190	
Organic Revenue-b)	<u>1,240</u>	<u>1,318</u>	<u>(6)%</u>	<u>2,222</u>	<u>2,539</u>	<u>(12)%</u>
Appliances & Lighting						
Reported Revenue	1,667	2,236	(25)%	3,663	4,177	(12)%
Less Acq./Disp. & FX-a)	1,137	1,636		1,121	1,636	
Organic Revenue-b)	<u>530</u>	<u>600</u>	<u>(12)%</u>	<u>2,542</u>	<u>2,541</u>	<u>0%</u>



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(a- Translational foreign exchange
(b- Non-GAAP

Non-GAAP reconciliation

Power & Renewable Energy results ex. Alstom

(\$ in millions)

	Power			Renewable Energy		
	2Q'16	2Q'15	V%	2Q'16	2Q'15	V%
Revenues	\$6,639	\$5,055	31%	\$2,094	\$1,641	28%
Alstom revenues	1,459	-		221	-	
Revenues ex. Alstom-a)	\$5,179	\$5,055	2%	\$1,873	\$1,641	14%
Segment profit	\$1,140	\$1,046	9%	\$128	\$144	(11)%
Alstom segment profit	89	-		1	-	
Segment profit ex. Alstom-a)	\$1,051	\$1,046	0%	\$127	\$144	(12)%
Op profit % ex. Alstom-a)	20.3%	20.7%	(0.4)pts	6.8%	8.8%	(2.0)pts



(a- Non-GAAP

Note: Certain columns and rows may not add due to the use of rounded numbers. Percentages presented are calculated from the underlying numbers in millions

Units summary – orders

	<u>2Q'16</u>	<u>2Q'15</u>	<u>V</u>	<u>2Q'16</u> <u>YTD</u>	<u>2Q'15</u> <u>YTD</u>	<u>V</u>
Power:						
Gas Turbines-a)	16	18	(2)	41	39	2
Renewable Energy:						
Wind Turbines-a)	637	888	(251)	1,348	1,264	84
Aviation:						
CEO engines	753	981	(228)	1,455	2,200	(745)
GEnx engines-b)	29	38	(9)	36	85	(49)
Leap engines-b)	265	218	47	708	633	75
Military engines	281	177	104	567	312	255
Spares rate-c)	\$39.9	\$37.9	\$2.0	\$39.8	\$38.4	\$1.3
Transportation:						
Locomotives	21	120	(99)	21	311	(290)

(a- Gas Turbines & Wind Turbines are GE-only

(b- GEnx & Leap engines are a subset of CEO engines

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



Units summary – sales

	<u>2Q'16</u>	<u>2Q'15</u>	<u>V</u>	<u>2Q'16</u> <u>YTD</u>	<u>2Q'15</u> <u>YTD</u>	<u>V</u>
Power:						
Gas Turbines-a)	26	24	2	39	63	(24)
Renewable Energy:						
Wind Turbines-a)	856	806	50	1,472	1,278	194
Aviation:						
CEO engines	724	685	39	1,401	1,334	67
GEnx engines-b)	78	86	(8)	131	137	(6)
Leap engines-b)	11	-	11	11	-	11
Military engines	151	174	(23)	302	343	(41)
Spares rate-c)	\$38.4	\$37.2	\$1.2	\$38.5	\$36.9	\$1.6
Transportation:						
Locomotives	222	191	31	378	406	(28)

(a- Gas Turbines & Wind Turbines are GE-only

(b- GEnx & Leap engines are a subset of CEO engines

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



Regional summary

(\$ in billions)

	Infrastructure Orders				Industrial Segment Revenues			
	2Q'16	V%	2Q'16 YTD	V%	2Q'16	V%	2Q'16 YTD	V%
Resource Rich-a)	\$8.2	(3)%	\$13.6	(11)%	\$8.0	10%	\$14.8	2%
Asia-b)	3.7	23	7.0	20	3.3	5	6.5	15
Growth Regions	\$11.8	4%	\$20.6	(2)%	\$11.3	9%	\$21.3	6%
Developed-c)	\$14.8	(6)%	\$29.4	1%	\$17.3	6%	\$33.2	7%
Total	\$26.6	(2)%	\$50.1	- %	\$28.6	7%	\$54.5	6%

(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.



Alstom results and EPS impact

Key metrics

(\$ in millions)

<u>Orders</u>	<u>2Q'16</u>
Power	\$2,869
Renewable Energy	206
Grid	1,399
Oil & Gas ^{-a)}	30
Segment orders	\$4,505

<u>Revenue</u>	<u>2Q'16</u>
Power	\$1,459
Renewable Energy	221
Grid	1,449
Oil & Gas	41
Segment revenue	\$3,171

<u>Op profit</u>	<u>2Q'16</u>
Power	89
Renewable Energy	1
Grid	45
Oil & Gas	3
Segment op profit	\$138

Corporate	(341)
Total op profit	\$(203)

FX impact \$(31)

Financial impact

(\$ in billions, except EPS)

	<u>2Q'16</u>
Operations	(0.2)
Cost synergy benefits	0.3
Synergy investment	-
Acquisition accounting	-
Deal/integration costs	-
JV minority interest	0.1
Segment op profit	0.1
Corporate charges	
– Deal costs/synergy inv.	(0.3)
– Acquisition accounting	-
Net tax benefits	\$0.3
EPS	\$0.01



Non-GAAP reconciliation

Corporate revenue

(\$ in millions)

	2Q'16	2Q'15	V%	2Q'16 YTD	2Q'15 YTD	V%
Gains (losses) on dispositions	\$3,129	\$499	F	\$3,188	\$499	F
Corporate operations & eliminations	(1,036)	(789)	(31)%	(2,004)	(1,777)	(13)%
Total Corporate revenue (GAAP)	\$2,093	\$(290)	F	\$1,184	\$(1,278)	F



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

Non-GAAP reconciliation

Corporate operating profit (cost)

(\$ in millions)

	2Q'16	2Q'15	V%	2Q'16 YTD	2Q'15 YTD	V%
Gains (losses) on dispositions	\$3,129	\$499		\$3,188	\$499	
Principal retirement plans-a)	(479)	(673)		(946)	(1,462)	
Restructuring and other charges	(1,188)	(399)		(1,874)	(821)	
Other Corporate costs & eliminations	(488)	(613)		(964)	(1,092)	
Total Corporate costs (continuing) (GAAP)	974	(1,185)		(597)	(2,876)	
Less: Non-operating pension cost	(511)	(689)		(1,023)	(1,384)	
Total Corporate (operating) (Non-GAAP)	1,485	(496)		426	(1,492)	
Less: restructuring & other, gains	1,941	100		1,313	(322)	
Adjusted Total Corporate (operating) (Non-GAAP)	(\$456)	(\$596)	23%	(\$887)	(\$1,170)	24%



Note: Individual amounts are rounded. As a result, the sum of the parts presented may not add to the total
(a- Includes non-operating pension

Non-GAAP reconciliation

Industrial segment gross margins

(\$ in millions)

	2Q'16	2Q'15	2Q'16 YTD	2Q'15 YTD
Industrial sales	\$28,150	\$26,141	\$53,556	\$49,980
Less: Corporate sales and eliminations	(501)	(463)	(957)	(903)
Less: Alstom sales	3,187	-	6,074	-
Industrial segment sales ex. Alstom (Non-GAAP)	<u>25,464</u>	<u>26,604</u>	<u>48,439</u>	<u>50,883</u>
Industrial cost of sales	21,958	20,108	41,848	38,433
Less: Corporate cost of sales	897	588	1,496	1,003
Less: Alstom cost of sales	2,544	-	4,873	-
Industrial segment cost of sales ex. Alstom (Non-GAAP)	<u>18,517</u>	<u>19,520</u>	<u>35,479</u>	<u>37,430</u>
Industrial segment gross margin ex. Alstom (Non-GAAP)	6,946	7,084	12,960	13,453
Industrial segment gross margin ex. Alstom (Non-GAAP)	27.3%	26.6%	26.8%	26.4%



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

Non-GAAP reconciliation

Industrial segment operating profit margins

(\$ in millions)

	2Q'16	2Q'15	V%	2Q'16 YTD	2Q'15 YTD	V%
Industrial segment revenue-a)	\$28,630	\$26,826		\$54,499	\$51,188	
Less: Alstom revenues	3,171	-		5,984	-	
Industrial segment revenue ex. Alstom (Non-GAAP)	<u>25,459</u>	<u>26,826</u>		<u>48,515</u>	<u>51,188</u>	
Industrial segment op profit-a)	\$4,122	\$4,355		\$7,437	\$7,915	
Less: Alstom segment op profit	138	-		117	-	
Industrial segment op profit ex. Alstom (Non-GAAP)	<u>3,984</u>	<u>4,355</u>	(9)%	<u>7,319</u>	<u>7,915</u>	(8)%
Industrial segment op profit margin ex. Alstom (Non-GAAP)	15.6%	16.2%	(0.6)pts	15.1%	15.5%	(0.4)pts



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

(a- Total Industrial segment revenue and op profit include the sum of our Industrial reporting segments without giving effect to the elimination of transactions among such segments.

Non-GAAP reconciliation

Industrial operating profit margins

(\$ in millions)

	2Q'16	2Q'15	2Q'16 YTD	2Q'15 YTD
Industrial segment revenue-a)	\$28,630	\$26,826	\$54,499	\$51,188
Plus: Corporate revenue ex. gains	(1,036)	(789)	(2,004)	(1,777)
Less: GE-Capital eliminations	(480)	(374)	(1,020)	(892)
Industrial revenue	28,075	26,411	53,515	50,303
Less: Alstom revenues	3,171	-	5,984	-
Industrial revenue ex. Alstom (Non-GAAP)	24,904	26,411	47,531	50,303
Industrial segment op profit-a)	\$4,122	\$4,355	\$7,437	\$7,915
Plus: Corporate operating earnings	1,485	(496)	426	(1,492)
Less: Gains and restructuring	1,941	100	1,313	(322)
Industrial OP profit (Non-GAAP)	3,667	3,760	6,550	6,745
Less: Alstom segment op profit	138	-	117	-
Industrial op profit ex. Alstom (Non-GAAP)	3,529	3,760	6,432	6,745
Industrial op profit margin ex. Alstom (Non-GAAP)	14.2%	14.2%	13.5%	13.4%



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

(a- Total Industrial segment revenue and op profit include the sum of our Industrial reporting segments without giving effect to the elimination of transactions among such segments.

Non-GAAP reconciliation

Operating earnings & EPS

(\$ in millions except earnings per share)

	2Q'16	2Q'15	V%	2Q'16 YTD	2Q'15 YTD	V%
Earnings from continuing operations attributable to common shareholders (GAAP)	\$3,281	\$1,679	95%	\$3,492	\$(2,869)	F
Adjustment (net of tax): non-operating pensions costs/(income)	332	448		665	900	
Operating earnings (Non-GAAP)	\$3,613	\$2,127	70%	\$4,157	\$(1,968)	F
Earnings per share - diluted ^(a)						
Continuing earnings per share (GAAP)	\$0.36	\$0.17	F	\$0.38	\$(0.29)	F
Adjustment (net of tax): non-operating pensions costs/(income)	0.04	0.04		0.07	0.09	
Operating earnings per share (Non-GAAP)	\$0.39	\$0.21	86%	\$0.45	\$(0.20)	F



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

Non-GAAP reconciliation

Industrial operating EPS

(\$ in millions except earnings per share)

	2Q'16	2Q'15	V%	2Q'16 YTD	2Q'15 YTD	V%
Operating earnings (Non-GAAP)	\$3,613	\$2,127	70%	\$4,157	\$(1,968)	F
Capital operating earnings (Non-GAAP)	(600)	(493)	(22)%	(1,492)	(6,215)	76%
Industrial operating earnings (Non-GAAP)	4,213	2,620	61%	5,649	4,245	33%
Operating earnings per share (Non-GAAP)	\$0.39	\$0.21	86%	\$0.45	\$(0.20)	F
Capital operating EPS (Non-GAAP)-a)	(0.07)	(0.05)	(40)%	(0.16)	(0.62)	74%
Industrial operating EPS (Non-GAAP)-a)	0.46	0.26	77%	0.61	0.42	45%



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

Non-GAAP reconciliation

Industrial operating plus Verticals earnings & EPS

(\$ in millions except earnings per share)

	2Q'16	2Q'15	V%	2Q'16 YTD	2Q'15 YTD	V%
Operating earnings (Non-GAAP)	\$3,613	\$2,127	70%	\$4,157	\$(1,968)	F
Less: Capital Other continuing (Non-GAAP)	(1,051)	(1,024)		(2,440)	(7,092)	
Industrial operating plus Verticals earnings (Non-GAAP)	<u>4,665</u>	<u>3,151</u>	<u>48%</u>	<u>6,597</u>	<u>5,123</u>	<u>29%</u>
Capital Verticals earnings (Non-GAAP)	452	531	(15)%	948	877	8%
Industrial operating earnings (Non-GAAP)	4,213	2,620	61%	5,649	4,245	33%
Earnings per share - diluted ^(a)						
Operating earnings per share (Non-GAAP)	\$0.39	\$0.21	86%	\$0.45	\$(0.20)	F
Less: Capital Other continuing (Non-GAAP)	(0.11)	(0.10)		(0.26)	(0.70)	
Industrial operating plus Verticals EPS (Non-GAAP)	<u>0.51</u>	<u>0.31</u>	<u>65%</u>	<u>0.71</u>	<u>0.51</u>	<u>39%</u>
Capital Verticals operating EPS (Non-GAAP)	0.05	0.05	0%	0.10	0.09	11%
Industrial operating EPS (Non-GAAP)	0.46	0.26	77%	0.61	0.42	45%



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

Non-GAAP reconciliation

Industrial operating plus Verticals earnings & EPS excluding gains & restructuring

(\$ in millions except earnings per share)

	Earnings			Earnings per share-a)		
	2Q'16	2Q'15	V%	2Q'16	2Q'15	V%
Industrial operating earnings	\$4,213	\$2,620	61%	\$0.46	\$0.26	77%
Capital Verticals earnings	452	531	(15)%	0.05	0.05	-%
Industrial operating plus Verticals earnings	4,665	3,151	48%	0.51	0.31	65%
<u>Industrial gains & restructuring (after-tax):</u>						
Gains (after-tax)-b)	1,839	295		0.20	0.03	
Restructuring (after-tax)	(831)	(280)		(0.09)	(0.03)	
Operating earnings per share (Non-GAAP)	1,009	15		0.11	-	
Industrial operating earnings ex. gains & restructuring)	3,204	2,605	23%	0.35	0.26	35%
Capital Verticals earnings	452	531	(15)%	0.05	0.05	-%
Industrial operating plus Verticals earnings ex. gains & restructuring	3,656	3,136	17%	0.40	0.31	29%

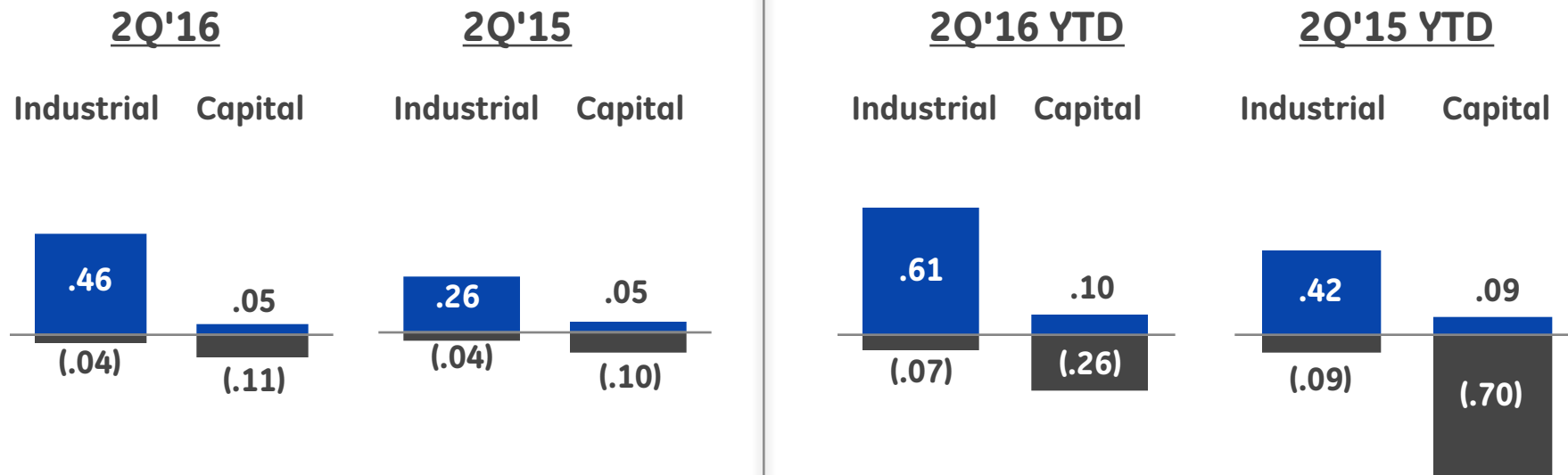


(a)- Earnings per share amounts are computed independently. As a result, the sum of per share amounts may not equal the total
(b)- After-tax impact based on estimated transactional tax rates

Non-GAAP reconciliation

GAAP & Industrial Operating plus Verticals EPS

(\$ in millions except earnings per share)



<u>Earnings/(loss) per share -a)</u>	<u>2Q'16</u>	<u>2Q'15</u>
Industrial operating	\$.46	\$.26
Verticals	.05	.05
Industrial Operating plus Verticals	\$.51	\$.31
Non-operating & Capital Other continuing	(.15)	(.14)
GAAP continuing EPS	\$.36	\$.17

<u>Earnings/(loss) per share -a)</u>	<u>2Q'16 YTD</u>	<u>2Q'15 YTD</u>
Industrial operating	\$.61	\$.42
Verticals	.10	.09
Industrial Operating plus Verticals	\$.71	\$.51
Non-operating & Capital Other continuing	(.33)	(.79)
GAAP continuing EPS	\$.38	\$(.29)

■ Industrial Operating & Verticals
 ■ Non-operating pension & Capital Other continuing



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

Non-GAAP reconciliation

GE effective tax rate (ex. Capital)

(\$ in millions)

	2Q'16	2Q'15	2Q'16 YTD	2Q'15 YTD
GE earnings from continuing operations before income taxes (GAAP)	\$3,847	\$2,395	\$4,141	\$(1,974)
Less Capital earnings from continuing ops.	(600)	(332)	(1,492)	(6,053)
Adjusted earnings from continuing ops. before income taxes (Non-GAAP)	\$4,447	\$2,728	\$5,634	\$4,080
GE (ex. Capital) provision for income taxes - continuing ops.	648	583	849	890
Effective tax rate GE (ex. Capital) (Non-GAAP)	15%	21%	15%	22%



Non-GAAP reconciliation

Industrial CFOA from continuing operations

(\$ in millions)

	2Q'16	2Q'15	V%	2Q'16 YTD	2Q'15 YTD	V%
Cash from GE's operating activities as reported (GAAP)	\$2,833	\$2,609	9%	\$10,689	\$3,950	F
Less: Deal taxes	(700)	-		(700)	-	
Cash from GE's operating activities excluding deal taxes	<u>\$3,533</u>	<u>\$2,609</u>	35%	<u>\$11,389</u>	<u>\$3,950</u>	F
Cash from GE's operating activities as reported (GAAP)	\$2,833	\$2,609	9%	\$10,689	\$3,950	F
Less: GE Capital dividends	3,500	-		11,000	450	
Cash from GE's operating activities excluding dividends from GE Capital (Industrial CFOA) (Non-GAAP)	<u>(\$667)</u>	<u>\$2,609</u>	U	<u>(\$311)</u>	<u>\$3,500</u>	U
Less: Deal taxes	(700)	-		(700)	-	
Cash from GE's operating activities excluding dividends from GE Capital & deal taxes (Industrial CFOA ex. deal taxes) (Non-GAAP)	<u>\$33</u>	<u>\$2,609</u>	U	<u>\$389</u>	<u>\$3,500</u>	(89)%



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

Non-GAAP reconciliation

Free cash flow

(\$ in millions)

	<u>2Q'16 YTD</u>	<u>2Q'15 YTD</u>	<u>V%</u>
Cash from GE's operating activities as reported (GAAP)	\$10,689	\$3,950	F
Less: Additions to property, plant and equipment	1,940	1,889	
Plus: Dispositions of property, plant and equipment	<u>539</u>	<u>376</u>	
Free cash flow (Non-GAAP)	<u>\$9,288</u>	<u>\$2,437</u>	<u>F</u>
Less: GE Capital dividends	<u>11,000</u>	<u>450</u>	
Industrial free cash flow (Non-GAAP)	<u>\$(1,712)</u>	<u>\$1,987</u>	<u>U</u>
Industrial operating earnings (Non-GAAP)	5,649	4,245	
Industrial FCF conversion (Non-GAAP)	(30)%	47%	



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)

	<u>2Q'16</u>	<u>2Q'15</u>	<u>V%</u>
GECAS	\$366	\$361	1%
EFS	99	109	(10)
Industrial Finance	102	96	6
Other ^{-a)}	(115)	(35)	U
Verticals	\$452	\$531	(15)%
Other continuing operations ^{-b)}	(1,051)	(1,024)	(3)
Capital segment profit/(loss)	\$(600)	\$(493)	(22)%
Earnings/(loss) from discontinued ops.	(544)	(3,036)	82
GE Capital net earnings/(loss)	<u><u>\$(1,143)</u></u>	<u><u>\$(3,529)</u></u>	<u><u>68%</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>2Q'16</u>	<u>2Q'15</u>	<u>V%</u>
GECAS	\$45.5	\$46.0	(1)%
EFS	13.5	16.2	(16)
Industrial Finance	22.2	19.9	12
Other	38.6	36.9	5
Verticals	\$119.8	\$119.0	1%
Other continuing operations	54.9	66.4	(17)
Capital segment assets	\$174.7	\$185.4	(6)%
Assets of discontinued operations	49.9	277.6	(82)
GE Capital assets	\$224.6	\$463.1	(52)%

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



GE Capital funding

(\$ in billions)

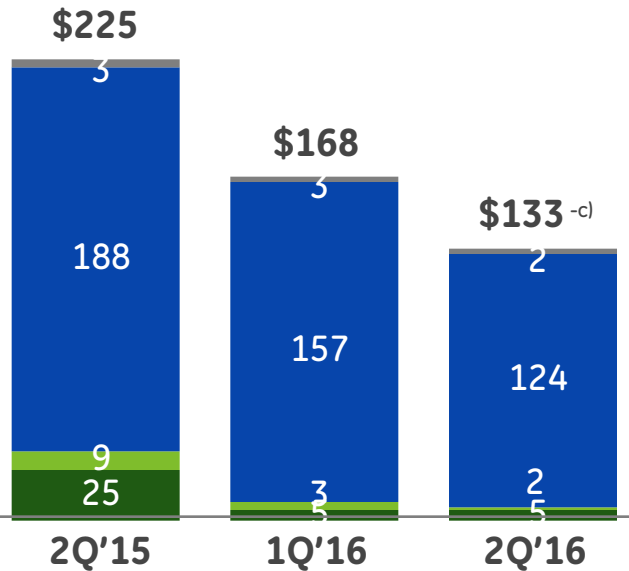
Debt composition^{-a)}

Non-recourse
Securitization

LT debt^{-b)}

Alternative
funding/other

Comm'l. paper



Bank lines ^{-d)}	\$45	\$42	\$20
Liquidity ^{-e)}	\$85	\$106	\$56
LT debt <1yr.	\$36	\$49	\$25

Comments

- Maintaining \$5B CP outstanding
- No incremental LT debt issuance in line with April 2015 announcement
- \$16B of maturities in April 2016 driven by 2015 debt exchange
- Completed ILC deposit sale to Goldman Sachs (\$16B) on April 18th (deposits in discontinued operations)
- Completed long term debt tender (\$5B)

(a - Continuing operations (excludes obligations issued to third parties that we reported in Discontinued operations or Held-for-Sale)

(b - Includes \$65B of GE Capital debt maintained as intercompany debt with GE Company as of 2Q'16 (\$70B assumed by GE Company offset by \$5B intercompany loan to GE)

(c - Includes ~\$0.5B YTD FX impact and ~\$1.1B YTD FAS 133

(d - Bank lines maintained at GE Company since Dec '15 but can be drawn and lent to GE Capital upon request

(e - Liquidity includes cash & equivalents (including discontinued operations and held for sale balances); 2Q'16 includes \$9.2B of high quality investments



Non-GAAP reconciliation

GE Capital leverage ratio^{-a)}

(\$ in billions)

	<u>2Q'16</u>	<u>1Q'16</u>	<u>2Q'15</u>
As reported			
Debt	\$139.1	\$195.0	\$325.9
Equity ^{-b)}	33.8	38.2	67.0
 Leverage ratio (GAAP)	 4.1	 5.1	 4.9
 Debt	 139.1	 195.0	 325.9
Less: Liquidity ^{-c)}	<u>(55.6)</u>	<u>(105.9)</u>	<u>(84.6)</u>
Adjusted debt	\$83.4	\$89.2	\$241.3
 Equity ^{-b)}	 33.8	 38.2	 67.0
 Adjusted leverage ratio (Non-GAAP)	 2.5	 2.3	 3.6

(a - Includes discontinued operations and balances recorded as held for sale for all periods

(b - Total equity ex-non-controlling interests

(c - Liquidity includes cash & equivalents (including discontinued operations and held for sale balances) and \$9.2B of high quality investments



Non-GAAP reconciliation

GE Capital capital ratios^{-a)}

(\$ in billions)

	<u>2Q'16</u>	<u>1Q'16</u>
Equity ^{-b)}	\$33.8	\$38.2
Less: G/W & Intangibles	2.8	3.1
Tangible equity	<u>\$31.1</u>	<u>\$35.1</u>
Less: Preferred equity	5.2	5.2
Tangible common equity	<u>\$25.9</u>	<u>\$29.9</u>
GE Capital assets	\$224.6	\$285.4
Less: G/W & Intangibles	2.8	3.1
Tangible assets	<u>\$221.8</u>	<u>\$282.3</u>
Tangible equity/Tangible assets	14.0%	12.4%
Tangible common equity/ Tangible assets	11.7%	10.6%

(a - Includes discontinued operations and balances recorded as held for sale for all periods

(b - Total equity ex-non-controlling interests



Non-GAAP reconciliation

Capital ending net investment

(\$ in billions)

	<u>2Q'16</u>	<u>1Q'16</u>	<u>4Q'15</u>	<u>3Q'15^{-a)}</u>	<u>2Q'15^{-a)}</u>
GE Capital total assets (GAAP)	\$224.6	\$285.4	\$316.1	\$433.8	\$463.3
Less: assets of discontinued operations ^{-b)}	(49.9)	(81.6)	(120.9)	(121.9)	(154.9)
Less: non-interest bearing liabilities & others	(43.9)	(43.0)	(43.3)	(50.3)	(51.2)
Capital ENI (Continuing operations)	<u>130.8</u>	<u>160.8</u>	<u>151.8</u>	<u>261.6</u>	<u>257.2</u>
Less: Liquidity ^{-c)}	(51.4)	(79.7)	(70.5)	(85.5)	(77.9)
Capital ENI (ex-Liquidity) (Non-GAAP)	<u>\$79.3</u>	<u>\$81.1</u>	<u>\$81.3</u>	<u>\$ 176.1</u>	<u>\$179.3</u>
Memo:					
Total ENI (ex-Liquidity) incl. disc. ops. (Non-GAAP)	\$116.2	\$126.7	\$166.2	\$270.6	\$309.0

(a - As originally reported)

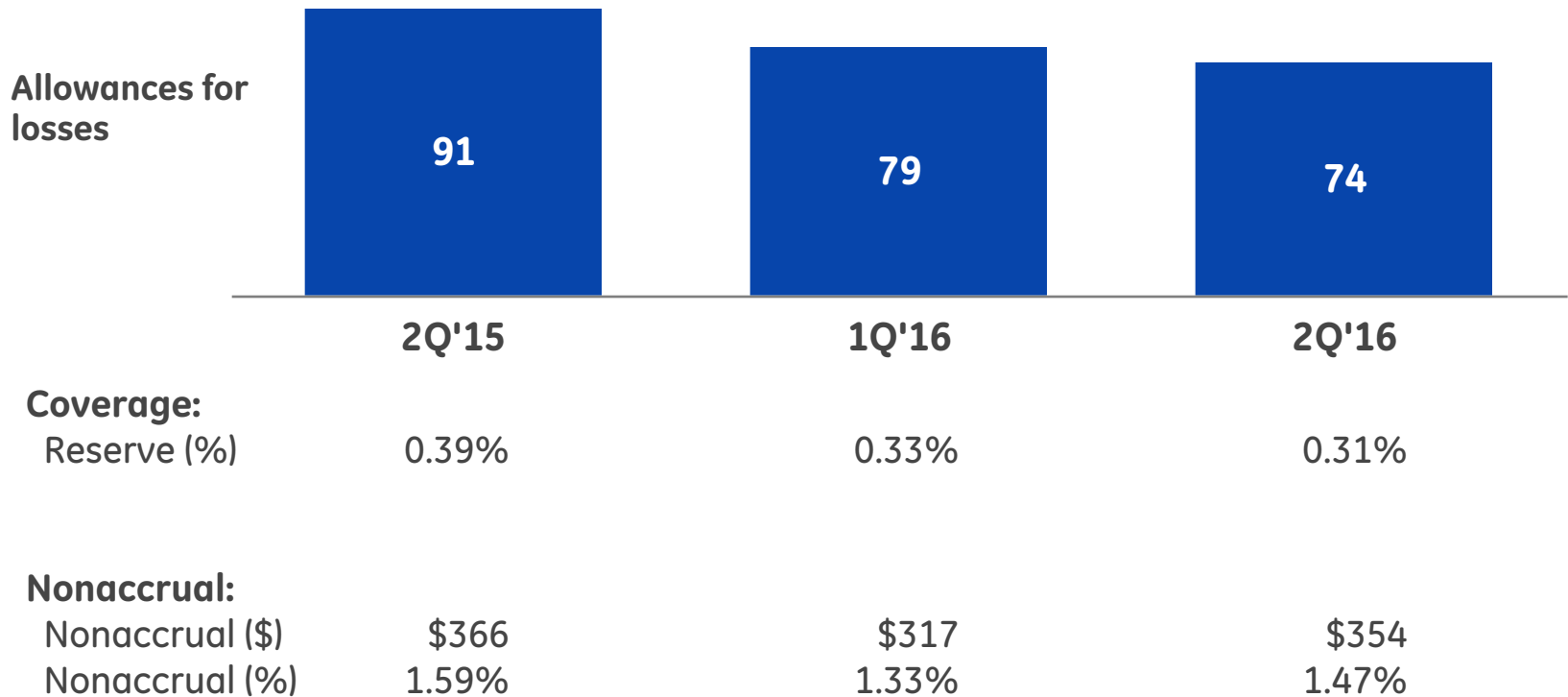
(b - Real Estate, majority of Commercial Lending & Leasing, and Consumer segments moved to discontinued operations during 1Q'15, 2Q'15, and 4Q'15 respectively)

(c - Liquidity includes cash & equivalents from continuing operations (excluding held for sale balances) and \$9.2B of high quality investments)



Capital reserves

(\$ in millions)



GE Capital Aircraft and Helicopter asset details

(\$ in millions)

Collateral type (In millions)	Loans and leases		
	2Q'16	1Q'16	2Q'15
Narrow-body aircraft	\$ 18,805	\$ 21,706	\$ 22,155
Wide-body aircraft	7,505	7,927	7,337
Cargo	1,639	1,550	1,757
Regional jets	3,679	3,745	3,932
Engines	2,911	2,838	2,580
Helicopters	3,719	3,688	3,596
Total (a)	\$ 38,259	\$ 41,454	\$ 41,357

Airline regions (In millions)	Loans and leases		
	2Q'16	1Q'16	2Q'15
U.S.	\$ 8,609	\$ 9,217	\$ 9,578
Europe	8,871	9,675	9,296
Pacific Basin	6,712	8,317	8,240
Americas	3,888	3,861	4,222
Other	6,459	6,696	6,425
Total (b)	\$ 34,539	\$ 37,766	\$ 37,761

Aircraft vintage profile (In millions)	2Q'16	1Q'16	2Q'15
0-5 years	\$ 11,065	\$ 13,963	13,231
6-10 years	7,450	7,768	8,099
11 - 15 years	7,165	7,469	8,142
15+ years	2,103	1,944	1,581
Total (c)	\$ 27,782	\$ 31,143	\$ 31,053

(a) - Includes loans and financing leases of \$7,165 million, \$7,127 million and \$7,528 million (less non-aircraft loans and financing leases of \$92 million, \$76 million and \$72 million) and ELTO of \$31,185 million, \$34,404 million and \$33,901 at June 30, 2016, March 31, 2016 and June 30, 2015 respectively, related to commercial aircraft at GECAS.

(b) - Excludes helicopters

(c) - Includes aircraft owned by GECAS and leased to others; excludes helicopters, engines and loans



2016 operating framework (Non-GAAP)

2016E Industrial operating + Vertical EPS \$1.45-1.55

Items not included in non-GAAP metric:

1. Non-operating pension costs, which we estimate to be approximately \$(0.14) – (0.15) on an EPS basis for the year

2. Capital Other continuing earnings (excluding the Verticals), which we estimate to be ~\$(0.28)-(0.38) on an EPS basis for the year. This amount is affected by, among other things:
 - The timing of when, and the amount by which, the Company pays down GE Capital's outstanding debt; and
 - The timing and magnitude of the costs associated with GE Capital's exit plan.



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 the GE Capital Exit Plan. Although we have attempted to estimate GE Capital's Other continuing earnings for the purpose of explaining the probable significance of this component, as described under number 2, this calculation⁴⁰ involves a number of unknown variables, resulting in a GAAP range that we believe is too large and variable to be meaningful.

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 includes the effects of intercompany transactions, including GE customer receivables sold to GE Capital; GE Capital services for trade receivables management and material procurement; buildings and equipment leased by GE from GE Capital; information technology (IT) and other services sold to GE Capital by GE; aircraft engines manufactured by GE that are installed on aircraft purchased by GE Capital from third-party producers for lease to others; 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. Management recognizes that this measure 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 provides management and investors with a useful measure 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 a useful measure to supplement the reported GAAP CFOA measure.

Free cash flow

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

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.



Non-GAAP supplemental information

GE Capital capital ratios - Tangible Equity/Tangible Assets; Tangible Common Equity/ Tangible Assets

We use these ratios as a measurement of capital adequacy for GE Capital. Tangible Equity is book equity less goodwill (net of valuation allowance adjustments) and intangibles. Tangible Common Equity is Tangible Equity less preferred equity. Tangible Assets is total assets less goodwill (net of valuation allowance adjustments) and intangibles.

GE Capital Ending Net Investment (ENI), excluding liquidity

We use ENI to measure the size of our Capital segment. We believe that this measure is a useful indicator of the capital (debt or equity) required to fund a business as it adjusts for non-interest bearing current liabilities generated in the normal course of business that do not require a capital outlay. We also believe that by excluding liquidity, we provide a meaningful measure of assets requiring capital to fund our Capital segment as a substantial amount of liquidity resulted from debt issuances to pre-fund future debt maturities and will not be used to fund additional assets. Liquidity consists of cash and equivalents and certain high quality interest bearing deposits of the U.S. Treasury. As a general matter, investments included in liquidity are expected to be highly liquid, giving us the ability to readily convert them to cash. Providing this measure will help investors measure how we are performing against our previously communicated goal to reduce the size of our financial services segment.



