



GE 2Q'19 Supplemental Information

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NON-GAAP SUPPLEMENTAL INFORMATION

We believe that presenting non-GAAP financial measures provides management and investors useful measures to evaluate performance and trends of the total company and its businesses, and increases period-to-period comparability. In addition, management recognizes that certain non-GAAP terms may be interpreted differently by other companies under different circumstances.

ORDERS & BACKLOG BY SEGMENT

<i>(Dollars in billions)</i>	2Q'19		2Q'19 YTD		2Q'19	
	Orders	V%	Orders	V%	Backlog	V%
Power	\$ 4.9	(22)%	\$ 8.6	(20)%	\$ 86.4	— %
Renewable Energy	3.7	35	7.2	17	25.7	10
Aviation	8.6	(10)	17.3	(2)	243.9	17
Healthcare	5.2	(2)	10.1	1	18.2	4
Oil & Gas	6.5	8	12.2	8	21.1	(1)
Industrial	\$ 28.7	(4)%	\$ 54.9	(2)%	\$ 396.5	11 %

Note: Industrial orders and backlog include Digital orders and backlog as well as eliminations between Industrial Segments. As a result, the sum of the segments may not add to the total.

ADJUSTED GE INDUSTRIAL EBITDA (NON-GAAP)

<i>(Dollars in millions)</i>	2Q'19	2Q'19 YTD
Reported GE Industrial EBITDA (GAAP)	\$ 1,238	\$ 4,262
Less: restructuring & other	(382)	(681)
Less: goodwill impairments	(744)	(744)
Less: unrealized gains (losses)	(51)	(38)
Less: gains (losses) and impairments for disposed or held for sale businesses	(196)	169
Less: non-operating benefit costs	(554)	(1,115)
Less: noncontrolling interest	(23)	36
Add: depreciation & amortization of PP&E and intangibles	(1,156)	(2,364)
Adjusted GE Industrial profit (Non-GAAP)	\$ 2,032	\$ 4,271

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

CORPORATE OPERATIONS & ELIMINATIONS (NON-GAAP)

<i>(Dollars in millions)</i>	2Q'19	2Q'18	V%	2Q'19 YTD	2Q'18 YTD	V%
Revenues						
Eliminations and other	\$ (561)	\$ (462)		\$ (910)	\$ (833)	
Total Corporate Items and Eliminations	\$ (561)	\$ (462)	(21)%	\$ (910)	\$ (833)	(9)%
Operating profit (cost)						
Gains (losses) and impairments for disposed or held for sale businesses on disposals(a)	\$ (116)	\$ 329		\$ 250	\$ 263	
Restructuring and other charges(b)	(328)	(462)		(567)	(800)	
Unrealized gains (losses)(c)	(51)	266		(38)	266	
Goodwill impairments	(744)	—		(744)	—	
Eliminations and other	(462)	(356)		(809)	(614)	
Corporate costs (continuing) (GAAP)	\$ (1,700)	\$ (222)	U	\$ (1,909)	\$ (886)	U
Less: gains (losses) and restructuring & other	(1,238)	134		(1,100)	(272)	
Adjusted Corporate costs (operating) (Non-GAAP)	\$ (462)	\$ (356)	(30)%	\$ (809)	\$ (614)	(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) Unrealized gains (losses) are related to our retained Wabtec equity investment for the three and six months ended June 30, 2019, and to our Pivotal software equity investment for the three months ended June 30, 2018.

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, restructuring & other charges and goodwill impairments provides management and investors with a meaningful measure that increases the period-to-period comparability of our ongoing corporate costs.

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>	2Q'19	2Q'18	2Q'19 YTD	2Q'18 YTD
GE earnings (loss) from continuing operations before income taxes (GAAP)	\$ (452)	\$ 1,032	\$ 912	\$ 1,415
Less: GE Capital earnings (loss) from continuing operations	(89)	(207)	46	(422)
GE Industrial earnings (loss) from continuing operations before income taxes (Non-GAAP)	\$ (362)	\$ 1,239	\$ 866	\$ 1,838
Less: non-operating benefits (pre-tax)	(554)	(688)	(1,115)	(1,369)
Less: gains (losses) and impairments for disposed or held for sale businesses (pre-tax)(a)	(276)	329	89	263
Less: restructuring & other charges (pre-tax)	(418)	(673)	(755)	(1,280)
Less: unrealized gains (losses)	(51)	266	(38)	266
Less: goodwill impairments (pre-tax)	(744)	—	(744)	—
Adjusted GE Industrial earnings (loss) from continuing operations before income taxes (Non-GAAP)	\$ 1,680	\$ 2,004	\$ 3,429	\$ 3,958
GE provision (benefit) for income taxes (GAAP)	\$ (137)	\$ 487	\$ 213	\$ 576
Less: taxes on non-operating benefit costs	(116)	(144)	(234)	(287)
Less: taxes on gains (losses) and impairments for disposed or held for sale businesses	(16)	129	(52)	105
Less: taxes on restructuring & other charges	(88)	79	(144)	(55)
Less: taxes on unrealized gains (losses)	(11)	56	(8)	56
Less: taxes related to goodwill impairments	55	—	55	—
Less: GE Industrial U.S. tax reform enactment adjustment	—	24	101	(79)
Adjusted GE Industrial taxes (Non-GAAP)	\$ 39	\$ 344	\$ 495	\$ 836
GE effective tax rate, excluding GE Capital earnings (Non-GAAP)	38%	39%	25%	31%
Adjusted GE effective tax rate (Non-GAAP)	2%	17%	14%	21%

(a) Includes amounts of consolidated affiliates before noncontrolling interests.

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, unrealized gains (losses) and restructuring & other items and goodwill impairments. 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.

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

<i>(Dollars in millions)</i>	2Q'19	2Q'18	V\$	2Q'19 YTD	2Q'18 YTD	V\$
GE CFOA (GAAP)	\$ 42	\$ 268	\$ (226)	\$ (842)	\$ (850)	\$ 8
Add: gross additions to property, plant and equipment	(847)	(741)		(1,684)	(1,595)	
Add: gross additions to internal-use software	(89)	(79)		(163)	(169)	
Less: GE Pension Plan funding	—	(634)		—	(921)	
Less: taxes related to business sales	(100)	(17)		(108)	(17)	
GE Industrial Free Cash Flows (Non-GAAP)	\$ (794)	\$ 98	\$ (893)	\$ (2,581)	\$ (1,675)	\$ (906)
Less: Oil & Gas CFOA	593	142		410	433	
Less: Oil & Gas gross additions to property, plant and equipment	(283)	(226)		(568)	(399)	
Less: Oil & Gas gross additions to internal-use software	(18)	(8)		(26)	(17)	
Add: BHGE Class B shareholder dividend	94	125		188	253	
Adjusted GE Industrial Free Cash Flows (Non-GAAP)	\$ (993)	\$ 316	\$ (1,308)	\$ (2,209)	\$ (1,440)	\$ (768)

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.

2018 FREE CASH FLOWS (FCF) BY SEGMENT AND ADJUSTED FCF BY SEGMENT (NON-GAAP)

<i>(In millions)</i>	<i>Power</i>	<i>Renewable Energy</i>	<i>Aviation</i>	<i>Oil & Gas</i>	<i>Healthcare</i>	<i>Corp and Elims</i>	<i>GE Industrial</i>
CFOA (GAAP)	\$ (1,849)	\$ 406	\$ 5,373	\$ 1,763	\$ 3,485	\$ (7,201)	\$ 1,976
Add: gross additions to property, plant and equipment	(358)	(297)	(1,070)	(964)	(378)	(131)	(3,198)
Add: gross additions to internal-use software	(66)	(11)	(73)	(31)	(90)	(67)	(337)
Less: GE Pension Plan funding	—	—	—	—	—	(6,000)	(6,000)
Less: taxes related to business sales	—	—	—	—	—	(180)	(180)
Free Cash Flows (Non-GAAP)	\$ (2,273)	\$ 98	\$ 4,230	\$ 768	\$ 3,018	\$ (1,219)	\$ 4,621
Less: Oil & Gas CFOA	—	—	—	1,763	—	—	1,763
Less: Oil & Gas gross additions to property, plant and equipment	—	—	—	(964)	—	—	(964)
Less: Oil & Gas gross additions to internal-use software	—	—	—	(31)	—	—	(31)
Add: BHGE Class B shareholder dividend	—	—	—	494	—	—	494
Adjusted Free Cash Flows (Non-GAAP)	\$ (2,273)	\$ 98	\$ 4,230	\$ 494	\$ 3,018	\$ (1,219)	\$ 4,348

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 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.

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 CAPITAL SEGMENT RESULTS - 2Q'19

<i>(Dollars in millions) - net earnings</i>	2Q'19	2Q'18	V%
GECAS	\$ 255	\$ 311	(18)%
EFS	114	(22)	F
Industrial Finance and WCS	56	100	(44)
Insurance	(6)	(3)	U
Other continuing operations(a)	(509)	(593)	14
Capital segment profit/(loss)	\$ (89)	\$ (207)	57 %
Earnings (loss) from discontinued operations	238	(66)	
GE Capital Net earnings (loss) attributable to GE common shareowners	\$ 148	\$ (273)	F

(a) includes the impact of Preferred stock dividends.

GE CAPITAL SEGMENT ASSETS - 2Q'19

<i>(Dollars in billions)</i>	2Q'19	1Q'19	V%
GECAS	\$ 41.8	\$ 41.6	— %
EFS	2.9	2.8	3
Industrial Finance and WCS	11.8	12.3	(4)
Insurance	45.2	44.2	2
Other continuing operations	15.7	17.0	(7)
Capital segment assets	\$ 117.4	\$ 117.9	— %
Assets of discontinued operations	4.1	4.3	
GE Capital total assets	\$ 121.5	\$ 122.2	(1)%

GAS POWER FIXED COSTS (NON-GAAP)

<i>(Dollars in millions)</i>	2Q'19	2Q'18	V%	2Q'19 YTD	2Q'18 YTD	V%
Gas Power total costs and expenses (GAAP)	\$ 3,097	\$ 3,108	— %	\$ 6,266	\$ 6,508	(4)%
Less: Gas Power variable costs (Non-GAAP)	2,325	2,251	3 %	4,673	4,796	(3)%
Gas Power fixed costs (Non-GAAP)	\$ 772	\$ 856	(10)%	\$ 1,593	\$ 1,712	(7)%

We believe that fixed costs* is a meaningful measure as it is broader than selling, general and administrative costs and represents the costs in the segments that generally do not vary with volume.

Segment variable costs* are those costs within our industrial segments that vary with volume. The most significant variable costs would be material and direct labor costs incurred to produce our products and deliver our services that are recorded in the Statement of Earnings line items of cost of goods and cost of services sold.

2019 OPERATING FRAMEWORK: 2019 ADJUSTED EPS (NON-GAAP)

We cannot provide a reconciliation of the differences between the non-GAAP expectations and corresponding GAAP measure for Adjusted EPS* in 2019 without unreasonable effort due to the uncertainty of timing of any gains or losses related to acquisitions & dispositions, the timing and magnitude of financial impacts related to our planned orderly separation of BHGE, the timing and magnitude of the mark-to-market of our investment in Wabtec, and the timing and magnitude of restructuring expenses. Although we have attempted to estimate the amount of gains and restructuring charges for the purpose of explaining the probable significance of these components, this calculation involves a number of unknown variables, resulting in a GAAP range that we believe is too large and variable to be meaningful.

2019 OPERATING FRAMEWORK: 2019 ADJUSTED GE INDUSTRIAL FREE CASH FLOWS (NON-GAAP)

We cannot provide a reconciliation of the differences between the non-GAAP expectations and corresponding GAAP measure for Adjusted GE Industrial Free Cash Flows* in 2019 without unreasonable effort due to the uncertainty of timing of deal taxes related to business sales and in particular the timing of the planned orderly separation of BHGE. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.