



# GE 1Q'19 Supplemental Information

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### NON-GAAP SUPPLEMENTAL INFORMATION

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

**ORDERS & BACKLOG BY SEGMENT**

<i>(Dollars in billions)</i>	1Q'19 Orders		1Q'19 Backlog	
		V%		V%
Power	\$ 4.8	(14)%	\$ 92.9	(3)%
Renewable Energy	2.4	1	18.5	16
Aviation	8.7	7	223.5	11
Oil & Gas	5.7	9	20.9	(4)
Healthcare	4.9	4	17.9	2
Industrial	\$ 26.2	1 %	\$ 374.2	6 %

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.

**INDUSTRIAL BACKLOG TO REMAINING PERFORMANCE OBLIGATION WALK – 1Q'19**

<i>(Dollars in billions)</i>	Equipment	Services	Total
Backlog	\$ 84.4	\$ 289.8	\$ 374.2
Adjustment:	(38.3)	(94.6)	(132.9)
Remaining Performance Obligation	\$ 46.1	\$ 195.2	\$ 241.4

Note: Backlog represents unfilled customer orders for products and product services (expected life of contract sales for product services). Remaining performance obligation is a defined term under GAAP that represents backlog excluding and purchase orders that provide the customer with the ability to cancel or terminate without incurring a substantial penalty, even if the likelihood of cancellation is remote based on historical experiences. We plan to continue reporting backlog as we believe that is a useful metric for investors, given its relevance to total orders.

**EQUIPMENT/SERVICE REVENUES BY SEGMENT – 1Q'19**

<i>(Dollars in billions)</i>	Equipment	V%	Services	V%	Total	V%
Power	\$ 2.4	(31)%	\$ 3.2	(13)%	\$ 5.7	(22)%
Renewable Energy	1.1	(7)	0.5	9	1.6	(3)
Aviation	3.1	23	4.8	6	8.0	12
Oil & Gas	2.3	2	3.3	6	5.6	4
Healthcare	2.7	2	2.0	(3)	4.7	—
Industrial segments	\$ 11.6	(4)%	\$ 13.9	— %	\$ 25.5	(2)%

**UNITS SUMMARY - ORDERS**

	1Q'19	1Q'18	V
<b>Power</b>			
Gas Turbines	11	4	7
H-Turbines(a)	3	—	3
<b>Renewable Energy</b>			
Onshore Wind Turbines	970	936	34
<b>Aviation</b>			
Commercial Engines	799	1,175	(376)
GENx Engines(b)	30	24	6
LEAP Engines(b)	636	994	(358)
Military Engines	26	251	(225)

(a) H-Turbines are a subset of Gas Turbines

(b) GENx & LEAP Engines are a subset of Commercial Engines.

**UNITS SUMMARY - SALES**

	1Q'19	1Q'18	V
<b>Power</b>			
Gas Turbines	7	12	(5)
H-Turbines(a)	1	1	—
<b>Renewable Energy</b>			
Onshore Wind Turbines	353	352	1
<b>Aviation</b>			
Commercial Engines	751	651	100
GENx Engines(b)	78	50	28
LEAP Engines(b)	424	186	238
Military Engines	161	138	23
Spares rate(c)	\$30.6	\$25.2	\$5.4

(a) H-Turbines are a subset of Gas Turbines

(b) GENx & LEAP Engines are a subset of Commercial Engines.

(c) Commercial externally shipped spares and spares used in time & material shop visits in millions of dollars per day

**GE INDUSTRIAL SEGMENT ORGANIC REVENUES (NON-GAAP)**

<i>(Dollars in millions)</i>	1Q'19	1Q'18	V%
GE Industrial segment revenues (GAAP)	\$ 25,517	\$ 26,067	(2)%
Adjustments:			
Less: acquisitions	21	—	
Less: business dispositions (other than dispositions acquired for investment)	9	1,164	
Less: currency exchange rate(a)	(685)	—	
GE Industrial segment organic revenues (Non-GAAP)	\$ 26,170	\$ 24,903	5 %

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

(a) Translational foreign exchange

Organic revenues\* measure revenues excluding the effects of acquisitions, business dispositions and currency exchange rates. We believe that this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and currency exchange, which activities are subject to volatility and can obscure underlying trends. We also believe that presenting organic revenues\* separately for our industrial businesses provides management and investors with useful information about the trends of our industrial businesses and enables a more direct comparison to other non-financial businesses and companies. Management recognizes that the term "organic revenues" may be interpreted differently by other companies and under different circumstances. Although this may have an effect on comparability of absolute percentage growth from company to company, we believe that these measures are useful in assessing trends of the respective businesses or companies and may therefore be a useful tool in assessing period-to-period performance trends.

**GE INDUSTRIAL ORGANIC PROFIT (NON-GAAP)**

<i>(Dollars in millions)</i>	1Q'19	1Q'18	V%
Adjusted GE Industrial profit (Non-GAAP)	\$ 2,239	\$ 2,615	(14)%
Adjustments:			
Less: acquisitions	—	—	
Less: business dispositions (other than dispositions acquired for investment)	(45)	86	
Less: currency exchange rate(a)	52	—	
Adjusted GE Industrial organic profit (Non-GAAP)	\$2,232	\$2,529	(12)%
Adjusted GE Industrial profit margin (Non-GAAP)	8.8%	10.0%	(1.2)pts
Adjusted GE Industrial organic profit margin (Non-GAAP)	8.6%	10.2%	(1.6)pts

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

(a) Translational foreign exchange

Adjusted GE Industrial organic profit\* measures profit excluding the effects of acquisitions, business dispositions and currency exchange rates. We believe that this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and currency exchange, which activities are subject to volatility and can obscure underlying trends. Management recognizes that the term "organic profit" may be interpreted differently by other companies and under different circumstances. Although this may have an effect on comparability of absolute percentage growth from company to company, we believe that these measures are useful in assessing trends of our Industrial businesses and may therefore be a useful tool in assessing period-to-period performance trends.

**ORGANIC REVENUES, PROFIT (LOSS) AND PROFIT MARGIN BY SEGMENT (NON-GAAP)**

<i>(Dollars in millions)</i>	Revenue			Segment profit (loss)			Profit margin		
	1Q'19	1Q'18	V%	1Q'19	1Q'18	V%	1Q'19	1Q'18	V pts
Power (GAAP)	5,659	7,222	(22)%	80	273	(71)%	1.4 %	3.8 %	(2.4)pts
Less: acquisitions	—	—		—	—				
Less: business dispositions (other than dispositions acquired for investment)	9	1,012		(4)	74				
Less: currency exchange rate(a)	(291)			24					
Power organic (Non-GAAP)	5,941	6,210	(4)%	60	199	(70)%	1.0 %	3.2 %	(2.2)pts
Renewable Energy (GAAP)	1,604	1,646	(3)%	(162)	77	U	(10.1)%	4.7 %	(14.8)pts
Less: acquisitions	1	—		4	—				
Less: business dispositions (other than dispositions acquired for investment)	—	—		—	—				
Less: currency exchange rate(a)	(97)			19					
Renewable Energy organic (Non-GAAP)	1,701	1,646	3 %	(186)	77	U	(10.9)%	4.7 %	(15.6)pts
Aviation (GAAP)	7,954	7,112	12 %	1,660	1,603	4 %	20.9 %	22.5 %	(1.6)pts
Less: acquisitions	—	—		—	—				
Less: business dispositions (other than dispositions acquired for investment)	—	—		—	2				
Less: currency exchange rate(a)	(7)			10					
Aviation organic (Non-GAAP)	7,961	7,112	12 %	1,651	1,601	3 %	20.7 %	22.5 %	(1.8)pts
Oil & Gas (GAAP)	5,616	5,385	4 %	163	(144)	F	2.9 %	(2.7)%	5.6pts
Less: restructuring & other (GE share)				(59)	(324)				
Adjusted Oil & Gas (Non-GAAP)	5,616	5,385	4 %	222	181	23 %	4.0 %	3.4 %	0.6pts
Less: acquisitions	—	—		—	—				
Less: business dispositions (other than dispositions acquired for investment)	—	44		—	10				
Less: currency exchange rate(a)	(155)			(7)					
Adjusted Oil & Gas organic (Non-GAAP)	5,771	5,341	8 %	229	171	34 %	4.0 %	3.2 %	0.8pts
Healthcare (GAAP)	4,683	4,702	— %	781	735	6 %	16.7 %	15.6 %	1.1pts
Less: acquisitions	21	—		(4)	—				
Less: business dispositions (other than dispositions acquired for investment)	—	109		(33)	21				
Less: currency exchange rate(a)	(134)			(2)					
Healthcare organic (Non-GAAP)	4,796	4,593	4 %	820	714	15 %	17.1 %	15.5 %	1.6pts

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

(a) Translational foreign exchange

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

<i>(Dollars in millions)</i>	1Q'19	1Q'18	V%
GE total revenues (GAAP)	\$ 25,409	\$ 26,022	(2)%
<b>Costs</b>			
GE total costs and expenses (GAAP)	\$ 25,065	\$ 25,615	(2)%
Less: non-operating benefit costs	562	681	
Less: GE interest and other financial charges	588	639	
Less: restructuring & other	308	660	
Add: noncontrolling interests	59	34	
Adjusted GE Industrial costs (Non-GAAP)	\$ 23,667	\$ 23,669	— %
<b>Other Income</b>			
GE other income (GAAP)	\$ 884	\$ 192	F
Less: gains (losses) and impairments for disposed or held for sale businesses	365	(67)	
Less: unrealized gains (losses)	13	—	
Less: restructuring & other	9	(3)	
Adjusted GE other income (Non-GAAP)	\$ 496	\$ 262	89 %
<b>GE Industrial profit (GAAP)</b>	\$ 1,228	\$ 599	F
<b>GE Industrial profit margin (GAAP)</b>	4.8%	2.3%	2.5pts
<b>Adjusted GE Industrial profit (Non-GAAP)</b>	\$ 2,239	\$ 2,615	(14)%
<b>Adjusted GE Industrial profit margin (Non-GAAP)</b>	8.8%	10.0%	(1.2)pts

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

We have presented our Adjusted GE Industrial profit\* and profit margin\* excluding interest and other financial charges, non-operating benefit costs, restructuring & other, non-controlling interests, unrealized gains (loss) and impairments for disposed or held for sale businesses. We believe that GE Industrial profit and profit margins adjusted for these items are meaningful measures because they increase the comparability of period-to-period results.

**ADJUSTED GE INDUSTRIAL EBITDA (NON-GAAP)**

<i>(Dollars in millions)</i>	1Q'19
Reported GE Industrial EBITDA (GAAP)	\$ 3,024
Less: restructuring & other	(298)
Less: unrealized gains (losses)(a)	13
Less: gains (losses) and impairments for disposed or held for sale businesses	365
Less: non-operating benefit costs	(562)
Less: noncontrolling interest	59
Add: depreciation & amortization of PP&E and intangibles	(1,208)
Adjusted GE Industrial profit (Non-GAAP)	\$ 2,239
Less: Adjusted Corporate costs (operating) (Non-GAAP)	(343)
Adjusted Industrial segment profit	\$ 2,582

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

**CORPORATE OPERATIONS & ELIMINATIONS (NON-GAAP)**

<i>(Dollars in millions)</i>	1Q'19	1Q'18	V%
<b>Revenues</b>			
Eliminations and other	\$ (458)	\$ (452)	
Total Corporate Items and Eliminations	\$ (458)	\$ (452)	(1)%
<b>Operating profit (cost)</b>			
Gains (losses) and impairments for disposed or held for sale businesses on disposals(a)	\$ 365	\$ (67)	
Restructuring and other charges(b)	(239)	(339)	
Unrealized gains (losses)(c)	13	—	
Eliminations and other	(343)	(253)	
Corporate costs (continuing) (GAAP)	\$ (204)	\$ (659)	69 %
Less: gains (losses) and restructuring & other	139	(405)	
Adjusted Corporate costs (operating) (Non-GAAP)	\$ (343)	\$ (253)	(36)%

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

Note: Effective the first quarter of 2019, Corporate Items and Eliminations includes the results of our Lighting segment for all periods presented

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

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

(c) Amount is related to our retained Wabtec equity investment for the first three months of 2019.

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

**ADJUSTED EARNINGS (LOSS) (NON-GAAP)**

<i>(Dollars in millions)</i>	1Q'19	1Q'18	V%
Consolidated earnings (loss) from continuing operations attributable to GE common shareowners (GAAP)	\$ 954	\$ 261	F
Less: GE Capital earnings (loss) from continuing operations attributable to GE common shareowners (GAAP)	135	(215)	
GE Industrial earnings (loss) (Non-GAAP)	\$ 819	\$ 476	72 %
Non-operating benefits costs (pre-tax) (GAAP)	(562)	(681)	
Tax effect on non-operating benefit costs	118	143	
Less: non-operating benefit costs (net of tax)	(444)	(538)	
Gains (losses) and impairments for disposed or held for sale businesses (pre-tax)	365	(67)	
Tax effect on gains (losses) and impairments for disposed or held for sale businesses(a)	35	24	
Less: gains (losses) and impairments for disposed or held for sale businesses (net of tax)	400	(43)	
Restructuring & other (pre-tax)	(298)	(529)	
Tax effect on restructuring & other(a)	57	134	
Less: restructuring & other (net of tax)	(242)	(395)	
Unrealized gains (losses)	13	—	
Tax on unrealized gains (losses)	(3)	—	
Less: unrealized gains (losses)	10	—	
Less: GE Industrial U.S. tax reform enactment adjustment	(101)	(31)	
Adjusted GE Industrial earnings (loss) (Non-GAAP)	\$ 1,195	\$ 1,483	(19)%
GE Capital earnings (loss) from continuing operations attributable to GE common shareowners (GAAP)	\$ 135	\$ (215)	F
Less: GE Capital U.S. tax reform enactment adjustment	99	(45)	
Adjusted GE Capital earnings (loss) (Non-GAAP)	\$ 36	\$ (170)	F
Adjusted GE Industrial earnings (loss) (Non-GAAP)	\$ 1,195	\$ 1,483	(19)%
Add: Adjusted GE Capital earnings (loss) (Non-GAAP)	36	(170)	F
Adjusted earnings (loss) (Non-GAAP)	\$ 1,231	\$ 1,313	(6)%

(a) The tax effect presented includes both the rate for the relevant item as well as other direct and incremental tax charges.

Adjusted earnings (loss)\* excludes non-operating benefit costs, gains (losses) and impairments for disposed or held for sale businesses, restructuring & other, unrealized gains (losses), after-tax, excluding the effects of U.S. tax reform enactment adjustment. The service cost of our pension and other benefit plans are included in adjusted earnings\*, which represents the ongoing cost of providing pension benefits to our employees. The components of non-operating benefit costs are mainly driven by capital allocation decisions and market performance, and we manage these separately from the operational performance of our businesses. Gains and restructuring and other items are impacted by the timing and magnitude of gains associated with dispositions, and the timing and magnitude of costs associated with restructuring activities. We believe that the retained costs in Adjusted earnings (loss)\* provides management and investors a useful measure to evaluate the performance of the total company, and increases period-to-period comparability. We believe that presenting Adjusted Industrial earnings (loss)\* separately for our financial services businesses also provides management and investors with useful information about the relative size of our industrial and financial services businesses in relation to the total company.



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

	1Q'19	1Q'18	V%
Consolidated EPS from continuing operations attributable to GE common shareowners (GAAP)	\$ 0.11	\$ 0.03	F
Less: GE Capital EPS from continuing operations attributable to GE common shareowners (GAAP)	0.02	(0.02)	
GE Industrial EPS (Non-GAAP)	\$ 0.09	\$ 0.05	80 %
Non-operating benefits costs (pre-tax) (GAAP)	(0.06)	(0.08)	
Tax effect on non-operating benefit costs	0.01	0.02	
Less: non-operating benefit costs (net of tax)	(0.05)	(0.06)	
Gains (losses) and impairments for disposed or held for sale businesses (pre-tax)	0.04	(0.01)	
Tax effect on gains (losses) and impairments for disposed or held for sale businesses(a)	—	—	
Less: gains (losses) and impairments for disposed or held for sale businesses (net of tax)	0.04	—	
Restructuring & other (pre-tax)	(0.03)	(0.06)	
Tax effect on restructuring & other(a)	0.01	0.02	
Less: restructuring & other (net of tax)	(0.03)	(0.05)	
Unrealized gains (losses)	—	—	
Tax on unrealized gains (losses)(a)	—	—	
Less: unrealized gains (losses)	—	—	
Less: GE Industrial U.S. tax reform enactment adjustment	(0.01)	—	
Adjusted GE Industrial EPS (Non-GAAP)	\$ 0.13	\$ 0.17	(24)%
GE Capital EPS from continuing operations attributable to GE common shareowners (GAAP)	\$ 0.02	\$ (0.02)	F
Less: GE Capital U.S. tax reform enactment adjustment	0.01	(0.01)	
Adjusted GE Capital EPS (Non-GAAP)	\$ —	\$ (0.02)	F
Adjusted GE Industrial EPS (Non-GAAP)	\$ 0.13	\$ 0.17	(24)%
Add: Adjusted GE Capital EPS (Non-GAAP)	—	(0.02)	F
Adjusted EPS (Non-GAAP)(b)	\$ 0.14	\$ 0.15	(7)%

(a) The tax effect presented includes both the rate for the relevant item as well as other direct and incremental tax charges.

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

Adjusted EPS\* excludes non-operating benefit costs, gains (losses) and impairments for disposed or held for sale businesses, restructuring & other, unrealized gains (losses), after-tax, excluding the effects of U.S. tax reform enactment adjustment. The service cost of our pension and other benefit plans are included in adjusted earnings\*, which represents the ongoing cost of providing pension benefits to our employees. The components of non-operating benefit costs are mainly driven by capital allocation decisions and market performance, and we manage these separately from the operational performance of our businesses. Gains and restructuring and other items are impacted by the timing and magnitude of gains associated with dispositions, and the timing and magnitude of costs associated with restructuring activities. We believe that the retained costs in Adjusted EPS\* provides management and investors a useful measure to evaluate the performance of the total company, and increases period-to-period comparability. We also use Adjusted EPS\* as a performance metric at the company level for our annual executive incentive plan for 2019. We believe that presenting Adjusted Industrial EPS\* separately for our financial services businesses also provides management and investors with useful information about the relative size of our industrial and financial services businesses in relation to the total company.

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

<i>(Dollars in millions)</i>	1Q'19	1Q'18
GE earnings (loss) from continuing operations before income taxes (GAAP)	\$ 1,363	\$ 383
Less: GE Capital earnings (loss) from continuing operations	135	(215)
GE Industrial earnings (loss) from continuing operations before income taxes (Non-GAAP)	\$ 1,228	\$ 599
Less: non-operating benefits (pre-tax)	(562)	(681)
Less: gains (losses) and impairments for disposed or held for sale businesses (pre-tax)	365	(67)
Less: restructuring & other (pre-tax)	(336)	(608)
Less: unrealized gains (losses)(a)	13	—
Adjusted GE Industrial earnings (loss) from continuing operations before income taxes (Non-GAAP)	\$ 1,748	\$ 1,954
GE provision (benefit) for income taxes (GAAP)	\$ 350	\$ 89
Less: taxes on non-operating benefit costs	(118)	(143)
Less: taxes on gains (losses) and impairments for disposed or held for sale businesses	(35)	(24)
Less: taxes on restructuring & other charges	(57)	(134)
Less: taxes on unrealized gains (losses)	3	—
Less: GE Industrial U.S. tax reform enactment adjustment	101	(103)
Adjusted GE Industrial taxes (Non-GAAP)	\$ 456	\$ 492
GE effective tax rate, excluding GE Capital earnings (Non-GAAP)	29%	15%
Adjusted GE effective tax rate (Non-GAAP)	26%	25%

We believe that the GE effective tax rate is best analyzed in relation to GE earnings before income taxes excluding the GE Capital net earnings from continuing operations, as GE tax expense does not include taxes on GE Capital earnings. Management believes the GE effective tax rate, excluding GE Capital earnings\* provides investors with useful information as it presents the GE effective tax rate that can be used in comparing the GE results to other non-financial services businesses. Adjusted GE effective tax rate\* also excludes non-operating benefit costs, gains (losses) and impairments for disposed or held for sale businesses, unrealized gains (losses) and restructuring & other items. The service cost of our pension and other benefit plans are included in adjusted earnings, which represents the ongoing cost of providing pension benefits to our employees. The components of non-operating benefit costs are mainly driven by capital allocation decisions and market performance, and we manage these separately from the operational performance of our businesses. Gains and restructuring and other items are impacted by the timing and magnitude of gains associated with dispositions, and the timing and magnitude of costs associated with restructuring activities. We believe that the retained pre-tax earnings and corresponding taxes in Adjusted GE effective tax rate\* provides management and investors a useful measure to evaluate the performance of the total company, and increases period-to-period comparability.

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

<i>(Dollars in millions)</i>	1Q'19	1Q'18	V\$
GE CFOA (GAAP)	\$ (884)	\$ (1,117)	\$ 233
Add: gross additions to property, plant and equipment	(837)	(854)	
Add: gross additions to internal-use software	(74)	(89)	
Less: GE Pension Plan funding	—	(287)	
Less: taxes related to business sales	(8)	—	
<b>GE Industrial Free Cash Flows (Non-GAAP)</b>	<b>\$ (1,786)</b>	<b>\$ (1,774)</b>	<b>\$ (13)</b>
Less: Oil & Gas CFOA	(184)	291	
Less: Oil & Gas gross additions to property, plant and equipment	(286)	(173)	
Less: Oil & Gas gross additions to internal-use software	(8)	(9)	
Add: BHGE Class B shareholder dividend	94	127	
<b>Adjusted GE Industrial Free Cash Flows (Non-GAAP)</b>	<b>\$ (1,216)</b>	<b>\$ (1,756)</b>	<b>\$ 540</b>

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

<i>(In millions)</i>	Power	Renewable Energy	Aviation	Oil & Gas	Healthcare	Transportation	Lighting	Corp and Elims	GE Industrial
CFOA (GAAP)	\$ (2,210)	\$ 770	\$ 5,373	\$ 1,763	\$ 3,485	\$ 281	\$ (8)	\$ (7,196)	\$ 2,258
Add: gross additions to property, plant and equipment	(378)	(279)	(1,070)	(964)	(378)	(104)	(17)	(112)	(3,302)
Add: gross additions to internal-use software	(72)	(5)	(73)	(31)	(90)	(11)	(9)	(58)	(347)
Less: GE Pension Plan funding	—	—	—	—	—	—	—	(6,000)	(6,000)
Less: taxes related to business sales	—	—	—	—	—	—	—	(180)	(180)
<b>Free Cash Flows (Non-GAAP)</b>	<b>\$ (2,660)</b>	<b>\$ 486</b>	<b>\$ 4,230</b>	<b>\$ 768</b>	<b>\$ 3,018</b>	<b>\$ 167</b>	<b>\$ (34)</b>	<b>\$ (1,186)</b>	<b>\$ 4,789</b>
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
<b>Adjusted Free Cash Flows (Non-GAAP)</b>	<b>\$ (2,660)</b>	<b>\$ 486</b>	<b>\$ 4,230</b>	<b>\$ 494</b>	<b>\$ 3,018</b>	<b>\$ 167</b>	<b>\$ (34)</b>	<b>\$ (1,186)</b>	<b>\$ 4,515</b>

In 2018, GE transitioned from reporting an Adjusted GE Industrial CFOA metric to measuring itself on a GE Industrial Free Cash Flows basis\*. This metric includes GE CFOA plus investments in property, plant and equipment and additions to internal-use software; this metric excludes any dividends received from GE Capital and any cash received from dispositions of property, plant and equipment.

We believe that investors may also find it useful to compare GE's Industrial free cash flows\* performance without the effects of cash used for taxes related to business sales and contributions to the GE Pension Plan. We believe that this measure will better allow management and investors to evaluate the capacity of our industrial operations to generate free cash flows. In addition, we report Adjusted GE Industrial Free Cash Flows\* in order to provide a more fair representation of the cash that we are entitled to utilize in a given period. We also use Adjusted GE Industrial Free Cash Flows\* as a performance metric at the company-wide level for our annual executive incentive plan.

Management recognizes that the term free cash flows may be interpreted differently by other companies and under different circumstances. Although this may have an effect on comparability of absolute percentage growth from company to company, we believe that these measures are useful in assessing trends of the respective businesses or companies and may therefore be a useful tool in assessing period-to-period performance trends.

## GE INDUSTRIAL NET DEBT (NON-GAAP)

In this document we use GE Industrial net debt\*. We cannot provide an equivalent GAAP guidance range for our Industrial net debt target, which is calculated based on rating agency methodologies, without unreasonable effort. GE Industrial net debt reflects the total of gross debt excluding BHGE, after-tax net pension and retiree benefit plan liabilities, adjustments for operating lease obligations excluding BHGE, and adjustments for 50% of preferred stock, less 75% of GE's cash balance excluding BHGE. There is significant uncertainty on the timing and amount of events that could give rise to items included in the determination of this metric, including the timing of pension funding, proceeds from dispositions, and the impact of interest rates on our pension assets and liabilities.

## GE CAPITAL SEGMENT RESULTS - 1Q'19

<i>(Dollars in millions) - net earnings</i>	1Q'19	1Q'18	V%
GECAS	\$ 297	\$ 283	5%
EFS	3	(11)	F
Industrial Finance and WCS	92	88	5
Insurance	7	(29)	F
Other continuing operations(a)	(264)	(548)	52
Capital segment profit/(loss)	\$ 135	\$ (215)	F
Earnings (loss) from discontinued operations	35	(1,553)	
GE Capital Net earnings (loss) attributable to GE common shareowners	\$ 171	\$ (1,768)	F

(a) includes the impact of Preferred stock dividends

## GE CAPITAL SEGMENT ASSETS - 1Q'19

<i>(Dollars in billions)</i>	1Q'19	4Q'18	V%
GECAS	\$ 41.6	\$ 41.7	— %
EFS	2.8	3.0	(4)
Industrial Finance and WCS	12.3	15.8	(22)
Insurance	44.2	40.3	10
Other continuing operations	17.0	18.6	(9)
Capital segment assets	\$ 117.9	\$ 119.3	(1)%
Assets of discontinued operations	4.3	4.6	
GE Capital total assets	\$ 122.2	\$ 123.9	(1)%

## 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.