

Financial Measures that Supplement Generally Accepted Accounting Principles

We sometimes use information derived from consolidated financial information but not presented in our financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under U.S. Securities and Exchange Commission rules. Specifically, we have referred, in various sections of this Annual Report, to:

- Organic revenue growth in 2006, 2005 and 2004 and the average for the two and three years ended December 31, 2006
- Organic revenue growth for Energy in 2006
- GE operating profit excluding pension costs for 2006, 2005 and 2004
- Growth in Industrial cash from operating activities (CFOA) in 2006
- Average total shareowners' equity, excluding effects of discontinued operations
- GE profit growth from 2001 to 2006, excluding the effect of non-cash pension
- GE earnings from continuing operations before income taxes excluding GECS earnings from continuing operations and the corresponding effective tax rates, for the three years ended December 31, 2006
- Delinquency rates on certain financing receivables of the Commercial Finance and GE Money segments for 2006, 2005 and 2004

The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures follow.

Organic Revenue Growth

(In millions)	2006	2005	% change
GE consolidated revenues as reported	\$163,391	\$147,956	
Less the effects of			
Acquisitions, business dispositions (other than dispositions of businesses acquired for investment) and currency exchange rates	5,213	2,750	
The 2006 Olympics broadcasts	684	—	
GECS commercial paper interest rate swap adjustment	197	540	
GE consolidated revenues excluding the effects of acquisitions, business dispositions (other than dispositions of businesses acquired for investment), currency exchange rates, the 2006 Olympics broadcasts and the GECS commercial paper interest rate swap adjustment (organic revenues)	\$157,297	\$144,666	9%

(In millions)	2005	2004	% change
GE consolidated revenues as reported	\$147,956	\$134,291	
Less the effects of			
Acquisitions, business dispositions (other than dispositions of businesses acquired for investment) and currency exchange rates	8,275	3,818	
The 2004 Olympics broadcasts	—	927	
The May 2005 SFAS 133 correction	—	503	
GECS commercial paper interest rate swap adjustment	540	518	
GE consolidated revenues excluding the effects of acquisitions, business dispositions (other than dispositions of businesses acquired for investment), currency exchange rates, the 2004 Olympics broadcasts, the May 2005 SFAS 133 correction and the GECS commercial paper interest rate swap adjustment (organic revenues)	\$139,141	\$128,525	8%
Two-year average			8%

(In millions)	2004	2003	% change
GE consolidated revenues as reported	\$134,291	\$113,421	
Less the effects of			
Acquisitions, business dispositions (other than dispositions of businesses acquired for investment) and currency exchange rates	19,219	1,262	
Insurance	4,002	4,466	
Energy	17,348	19,082	
The May 2005 SFAS 133 correction	503	454	
GECS commercial paper interest rate swap adjustment	518	535	
GE consolidated revenues excluding the effects of acquisitions, business dispositions (other than dispositions of businesses acquired for investment), currency exchange rates, Insurance, Energy, the May 2005 SFAS 133 correction and the GECS commercial paper interest rate swap adjustment (organic revenues)	\$ 92,701	\$ 87,622	6%
Three-year average			8%

Organic Revenue Growth for Energy

(In millions)	2006	2005	% change
Energy revenues as reported	\$19,133	\$16,525	
Less the effects of			
Acquisitions, business dispositions (other than dispositions of businesses acquired for investment) and currency exchange rates	72	98	
Energy revenues excluding the effects of acquisitions, business dispositions (other than dispositions of businesses acquired for invest- ment) and currency exchange rates (organic revenues)	\$19,061	\$16,427	16%

GE Operating Profit Excluding Pension

(In millions)	2006			2005			2004		
	Revenues	Operating Profit	Profit %	Revenues	Operating Profit	Profit %	Revenues	Operating Profit	Profit %
GE revenues and operating profit as reported	\$101,798	\$14,585	14.3%	\$92,194	\$13,316	14.4%	\$83,290	\$11,384	13.7%
Less pension costs	—	(877)		—	(329)		—	124	
GE revenues, operating profit and operating profit % excluding the effects of pension costs	\$101,798	\$15,462	15.2%	\$92,194	\$13,645	14.8%	\$83,290	\$11,260	13.5%

Growth in Industrial CFOA

(In millions)	2006	2005	% change
Cash from GE's operating activities as reported	\$24,627	\$21,609	14%
Less dividends from GECS	9,847	7,816	
Cash from GE's operating activities excluding dividends from GECS (Industrial CFOA)	\$14,780	\$13,793	7%

Average Total Shareowners' Equity, Excluding Effects of Discontinued Operations^(a)

December 31 (In millions)	2006	2005	2004	2003	2002
Average total shareowners' equity ^(b)	\$109,873	\$111,706	\$95,711	\$71,342	\$59,154
Less the effects of					
Cumulative earnings from discontinued operations	—	2,094	2,985	925	1,007
Average net investment in discontinued operations	4,050	5,066	—	—	—
Average total shareowners' equity, excluding effects of discontinued operations ^(a)	\$105,823	\$104,546	\$92,726	\$70,417	\$58,147

(a) Used for computing return on average shareowners' equity and return on average total capital invested shown on page 67.

(b) On an annual basis, calculated using a five-point average.

U.S. GAAP requires earnings of discontinued operations to be displayed separately in the Statement of Earnings. Accordingly, the numerators used in our calculations of returns on average shareowners' equity and average total capital invested presented in Selected Financial Data on page 67 exclude those earnings (losses). Further, we believe that it is appropriate to exclude from the denominators, specifically the average total shareowners' equity component, the cumulative effect of those earnings for each of the years for which related discontinued operations were presented, as well as our average net investment in discontinued operations since the second half of 2005. Had we disposed of these operations before mid-2005, proceeds would have been applied to reduce parent-supported debt at GE Capital; however, since parent-supported debt at GE Capital was retired in the first half of 2005, we have assumed that any proceeds after that time would have been distributed to shareowners by means of share repurchases, thus reducing average total shareowners' equity.

Definitions indicating how the above-named ratios are calculated using average total shareowners' equity, excluding effects of discontinued operations, can be found in the Glossary.

GE Growth from 2001 to 2006, Excluding Pensions

(In millions)	2006	2001
GE earnings from continuing operations as reported	\$20,666	\$12,620
Less after-tax pension costs	(570)	1,362
GE earnings from continuing operations excluding after-tax pension costs	\$21,236	\$11,258

GE Tax Rate, Excluding GECS Earnings

(In millions)	2006	2005	2004
GE earnings from continuing operations before income taxes	\$23,246	\$21,411	\$18,574
Less GECS earnings from continuing operations	10,495	9,527	8,169
Total	\$12,751	\$11,884	\$10,405
GE provision for income taxes	\$ 2,580	\$ 2,750	\$ 1,973
GE effective tax rate, excluding GECS earnings	20.2%	23.1%	19.0%

We believe that meaningful analysis of our financial performance requires an understanding of the factors underlying that performance and our judgments about the likelihood that particular factors will repeat. In some cases, short-term patterns and long-term trends may be obscured by large factors or events. For example, events or trends in a particular segment may be so significant as to obscure patterns and trends of our industrial or financial services businesses in total. For this reason, we believe that investors may find it useful to see our 2006 revenue growth without the effect of acquisitions, dispositions and currency exchange rates, and without the effects of the 2006 and 2004 Olympics broadcasts, the May 2005 SFAS 133 correction and the GECS commercial paper interest rate swap adjustment, which if included would overshadow trends in ongoing revenues. Similarly, we believe that investors would find it useful to compare our

industrial operating profit and consolidated earnings from continuing operations excluding the effects of pension costs which can vary from period to period and our 2006 operating cash flow against our 2005 operating cash flow without the effects of GECS dividends which can also vary from period to period.

Delinquency Rates on Certain Financing Receivables

Delinquency rates on managed Commercial Finance equipment loans and leases and managed GE Money financing receivables follow.

COMMERCIAL FINANCE

December 31	2006	2005	2004
Managed	1.22%	1.31%	1.40%
Off-book	0.52	0.76	0.90
On-book	1.42	1.53	1.58

GE MONEY

December 31	2006	2005	2004
Managed	5.05%	5.08%	4.85%
Off-book	5.49	5.28	5.09
On-book	5.01	5.07	4.84

We believe that delinquency rates on managed financing receivables provide a useful perspective on our on and off-book portfolio quality and are key indicators of financial performance.