

## Statement of Earnings

For the years ended December 31 (In millions; per-share amounts in dollars)	General Electric Company and consolidated affiliates		
	2007	2006	2005
<b>REVENUES</b>			
Sales of goods	\$ 60,670	\$ 55,181	\$ 50,727
Sales of services	38,856	36,329	32,839
Other income (note 3)	3,019	2,154	1,673
GECS earnings from continuing operations	—	—	—
GECS revenues from services (note 4)	70,193	58,179	51,341
Total revenues	172,738	151,843	136,580
<b>COSTS AND EXPENSES (note 5)</b>			
Cost of goods sold	47,309	43,279	39,169
Cost of services sold	25,816	23,494	20,615
Interest and other financial charges	23,787	18,896	14,811
Investment contracts, insurance losses and insurance annuity benefits	3,469	3,213	3,374
Provision for losses on financing receivables (note 13)	4,546	3,130	3,239
Other costs and expenses	40,297	35,639	33,278
Minority interest in net earnings of consolidated affiliates	916	862	916
Total costs and expenses	146,140	128,513	115,402
<b>EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	26,598	23,330	21,178
Provision for income taxes (note 7)	(4,130)	(3,950)	(3,824)
<b>EARNINGS FROM CONTINUING OPERATIONS</b>	22,468	19,380	17,354
Earnings (loss) from discontinued operations, net of taxes (note 2)	(260)	1,362	(634)
<b>NET EARNINGS</b>	\$ 22,208	\$ 20,742	\$ 16,720
Per-share amounts (note 8)			
Per-share amounts—earnings from continuing operations			
Diluted earnings per share	\$ 2.20	\$ 1.86	\$ 1.64
Basic earnings per share	2.21	1.87	1.64
Per-share amounts—net earnings			
Diluted earnings per share	2.17	2.00	1.57
Basic earnings per share	2.18	2.00	1.58
<b>DIVIDENDS DECLARED PER SHARE</b>	\$ 1.15	\$ 1.03	\$ 0.91

## Consolidated Statement of Changes in Shareowners' Equity

(In millions)	2007	2006	2005
<b>CHANGES IN SHAREOWNERS' EQUITY (note 22)</b>			
Balance at January 1	\$111,509	\$108,633	\$110,181
Dividends and other transactions with shareowners	(23,102)	(17,983)	(13,249)
Changes other than transactions with shareowners			
Investment securities—net	(1,484)	(223)	(437)
Currency translation adjustments—net	4,527	3,649	(4,318)
Cash flow hedges—net	(539)	223	(47)
Benefit plans—net	2,566	287	(217)
Total changes other than earnings	5,070	3,936	(5,019)
Increases attributable to net earnings	22,208	20,742	16,720
Total changes other than transactions with shareowners	27,278	24,678	11,701
Cumulative effect of changes in accounting principles <sup>(a)</sup>	(126)	(3,819)	—
Balance at December 31	\$115,559	\$111,509	\$108,633

(a) The effect of the 2006 accounting change was previously included in the caption "Benefit plans—net."

See accompanying notes.

GE			GECS		
2007	2006	2005	2007	2006	2005
\$ 60,374	\$ 53,221	\$ 48,268	\$ 718	\$ 2,384	\$ 2,528
39,422	36,698	33,139	—	—	—
3,371	2,307	1,754	—	—	—
12,428	10,255	9,004	—	—	—
—	—	—	71,468	59,242	52,679
115,595	102,481	92,165	72,186	61,626	55,207
47,103	41,501	36,869	628	2,204	2,369
26,382	23,863	20,915	—	—	—
1,993	1,668	1,319	22,731	17,857	14,045
—	—	—	3,647	3,419	3,574
—	—	—	4,546	3,130	3,239
14,148	12,893	12,316	26,661	23,125	21,628
707	624	714	209	238	202
90,333	80,549	72,133	58,422	49,973	45,057
25,262	21,932	20,032	13,764	11,653	10,150
(2,794)	(2,552)	(2,678)	(1,336)	(1,398)	(1,146)
22,468	19,380	17,354	12,428	10,255	9,004
(260)	1,362	(634)	(2,127)	403	(1,427)
\$ 22,208	\$ 20,742	\$ 16,720	\$10,301	\$10,658	\$ 7,577

In the consolidating data on this page, "GE" means the basis of consolidation as described in note 1 to the consolidated financial statements; "GECS" means General Electric Capital Services, Inc. and all of its affiliates and associated companies. Transactions between GE and GECS have been eliminated from the "General Electric Company and consolidated affiliates" columns.

## Statement of Financial Position

At December 31 (In millions, except share amounts)	General Electric Company and consolidated affiliates	
	2007	2006
<b>ASSETS</b>		
Cash and equivalents	\$ 15,747	\$ 14,099
Investment securities (note 9)	45,428	47,806
Current receivables (note 10)	22,259	19,617
Inventories (note 11)	12,897	10,032
Financing receivables — net (notes 12 and 13)	377,660	321,736
Other GECS receivables	16,527	16,903
Property, plant and equipment — net (note 14)	77,895	70,650
Investment in GECS	—	—
Goodwill (note 15)	81,116	71,399
Other intangible assets — net (note 15)	16,178	12,915
All other assets (note 16)	122,861	91,651
Assets of discontinued operations (note 2)	6,769	19,875
<b>Total assets</b>	<b>\$795,337</b>	<b>\$696,683</b>
<b>LIABILITIES AND EQUITY</b>		
Short-term borrowings (note 17)	\$195,101	\$172,013
Accounts payable, principally trade accounts	21,398	20,632
Progress collections and price adjustments accrued	9,885	4,597
Dividends payable	3,100	2,878
Other GE current liabilities	16,629	17,944
Long-term borrowings (note 17)	319,015	260,752
Investment contracts, insurance liabilities and insurance annuity benefits (note 18)	34,068	34,501
All other liabilities (note 19)	58,606	47,510
Deferred income taxes (note 20)	12,144	14,110
Liabilities of discontinued operations (note 2)	1,828	2,744
<b>Total liabilities</b>	<b>671,774</b>	<b>577,681</b>
Minority interest in equity of consolidated affiliates (note 21)	8,004	7,493
Common stock (9,987,599,000 and 10,277,373,000 shares outstanding at year-end 2007 and 2006, respectively)	669	669
Accumulated gains (losses) — net		
Investment securities	124	1,608
Currency translation adjustments	10,708	6,181
Cash flow hedges	(668)	(129)
Benefit plans	(1,840)	(4,406)
Other capital	26,100	25,486
Retained earnings	117,362	106,993
Less common stock held in treasury	(36,896)	(24,893)
<b>Total shareowners' equity (notes 22 and 23)</b>	<b>115,559</b>	<b>111,509</b>
<b>Total liabilities and equity</b>	<b>\$795,337</b>	<b>\$696,683</b>

The sum of accumulated gains (losses) on investment securities, currency translation adjustments, cash flow hedges and benefit plans constitutes "Accumulated nonowner changes other than earnings," as shown in note 22, and was \$8,324 million and \$3,254 million at December 31, 2007 and 2006, respectively.

See accompanying notes.

GE		GECS	
2007	2006	2007	2006
\$ 6,702	\$ 4,480	\$ 9,455	\$ 12,452
343	342	45,093	47,472
15,093	13,766	—	—
12,834	9,978	63	54
—	—	385,604	328,589
—	—	22,091	21,690
14,142	12,675	63,753	57,975
57,676	54,097	—	—
55,689	48,645	25,427	22,754
11,633	9,739	4,545	3,176
40,608	33,442	83,405	59,387
66	8,756	6,703	11,119
<b>\$214,786</b>	<b>\$195,920</b>	<b>\$646,139</b>	<b>\$564,668</b>

\$ 4,106	\$ 2,076	\$192,421	\$173,313
11,120	10,969	14,774	13,803
10,374	5,248	—	—
3,100	2,878	—	—
16,629	17,944	—	—
11,656	9,043	308,504	252,953
—	—	34,359	34,807
32,046	26,930	26,625	20,691
3,391	1,540	8,753	12,570
302	2,239	1,526	485
<b>92,724</b>	<b>78,867</b>	<b>586,962</b>	<b>508,622</b>
<b>6,503</b>	<b>5,544</b>	<b>1,501</b>	<b>1,949</b>

669	669	1	1
124	1,608	110	1,594
10,708	6,181	7,472	4,837
(668)	(129)	(727)	(171)
(1,840)	(4,406)	(105)	(278)
26,100	25,486	12,574	12,537
117,362	106,993	38,351	35,577
(36,896)	(24,893)	—	—
<b>115,559</b>	<b>111,509</b>	<b>57,676</b>	<b>54,097</b>
<b>\$214,786</b>	<b>\$195,920</b>	<b>\$646,139</b>	<b>\$564,668</b>

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## Statement of Cash Flows

For the years ended December 31 (In millions)	General Electric Company and consolidated affiliates		
	2007	2006	2005
<b>CASH FLOWS—OPERATING ACTIVITIES</b>			
Net earnings	\$ 22,208	\$ 20,742	\$ 16,720
Loss (earnings) from discontinued operations	260	(1,362)	634
Adjustments to reconcile net earnings to cash provided from operating activities			
Depreciation and amortization of property, plant and equipment	10,278	8,459	7,841
Earnings from continuing operations retained by GECS	—	—	—
Deferred income taxes	623	1,710	(1,063)
Decrease (increase) in GE current receivables	980	(2,205)	(1,090)
Decrease (increase) in inventories	(1,494)	(1,481)	(556)
Increase (decrease) in accounts payable	469	(36)	240
Increase in GE progress collections	4,458	927	510
Provision for losses on GECS financing receivables	4,546	3,130	3,239
All other operating activities	657	2,152	3,628
Cash from operating activities—continuing operations	42,985	32,036	30,103
Cash from (used for) operating activities—discontinued operations	2,982	(1,390)	7,588
<b>CASH FROM OPERATING ACTIVITIES</b>	<b>45,967</b>	<b>30,646</b>	<b>37,691</b>
<b>CASH FLOWS—INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment	(17,870)	(15,912)	(13,762)
Dispositions of property, plant and equipment	8,460	6,796	6,019
Net increase in GECS financing receivables	(47,121)	(37,651)	(15,834)
Proceeds from sales of discontinued operations	11,574	11,009	8,106
Proceeds from principal business dispositions	2,746	1,883	476
Payments for principal businesses purchased	(17,215)	(11,573)	(11,436)
All other investing activities	(10,275)	(4,553)	(350)
Cash used for investing activities—continuing operations	(69,701)	(50,001)	(26,781)
Cash from (used for) investing activities—discontinued operations	(2,723)	(1,401)	(8,318)
<b>CASH USED FOR INVESTING ACTIVITIES</b>	<b>(72,424)</b>	<b>(51,402)</b>	<b>(35,099)</b>
<b>CASH FLOWS—FINANCING ACTIVITIES</b>			
Net increase (decrease) in borrowings (maturities of 90 days or less)	2,339	4,527	(4,622)
Newly issued debt (maturities longer than 90 days)	100,866	88,360	66,524
Repayments and other reductions (maturities longer than 90 days)	(49,826)	(49,337)	(53,130)
Net purchases of GE shares for treasury	(12,319)	(8,554)	(4,844)
Dividends paid to shareowners	(11,492)	(10,420)	(9,352)
All other financing activities	(1,204)	(1,174)	(1,128)
Cash from (used for) financing activities—continuing operations	28,364	23,402	(6,552)
Cash from (used for) financing activities—discontinued operations	(152)	(171)	433
<b>CASH FROM (USED FOR) FINANCING ACTIVITIES</b>	<b>28,212</b>	<b>23,231</b>	<b>(6,119)</b>
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS DURING YEAR</b>	<b>1,755</b>	<b>2,475</b>	<b>(3,527)</b>
Cash and equivalents at beginning of year	14,276	11,801	15,328
Cash and equivalents at end of year	16,031	14,276	11,801
Less cash and equivalents of discontinued operations at end of year	284	177	3,139
Cash and equivalents of continuing operations at end of year	\$ 15,747	\$ 14,099	\$ 8,662
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION</b>			
Cash paid during the year for interest	\$(23,340)	\$(18,438)	\$(16,593)
Cash recovered (paid) during the year for income taxes	(2,912)	(2,869)	(3,254)

See accompanying notes.

GE			GECS		
2007	2006	2005	2007	2006	2005
\$ 22,208	\$ 20,742	\$ 16,720	\$ 10,301	\$ 10,658	\$ 7,577
260	(1,362)	634	2,127	(403)	1,427
2,149	1,953	1,845	8,129	6,506	5,996
(5,137)	(408)	(1,188)	—	—	—
564	703	(119)	59	1,007	(944)
14	760	(382)	—	—	—
(1,496)	(1,458)	(586)	2	(23)	30
(1,073)	289	891	1,784	185	(310)
4,620	927	510	—	—	—
—	—	—	4,546	3,130	3,239
1,192	1,626	1,577	(524)	723	1,918
23,301	23,772	19,902	26,424	21,783	18,933
(857)	855	1,707	3,839	(2,245)	5,881
22,444	24,627	21,609	30,263	19,538	24,814
(2,968)	(2,913)	(2,225)	(15,219)	(13,170)	(11,597)
—	—	—	8,460	6,796	6,019
—	—	—	(45,368)	(40,563)	(16,388)
10,826	1,987	—	117	9,022	8,106
1,047	1,497	267	1,699	386	209
(9,645)	(4,274)	(4,269)	(7,570)	(7,299)	(7,167)
(1,697)	100	1,519	(8,931)	(5,945)	(2,444)
(2,437)	(3,603)	(4,708)	(66,812)	(50,773)	(23,262)
1,003	(914)	(1,733)	(3,726)	(487)	(6,585)
(1,434)	(4,517)	(6,441)	(70,538)	(51,260)	(29,847)
(3,284)	1,233	(418)	3,398	6,464	(4,040)
8,751	130	1,704	92,016	88,276	65,055
(298)	(93)	(3,424)	(49,528)	(49,244)	(49,706)
(12,319)	(8,554)	(4,844)	—	—	—
(11,492)	(10,420)	(9,352)	(7,291)	(9,847)	(7,816)
—	—	—	(1,204)	(1,174)	(1,128)
(18,642)	(17,704)	(16,334)	37,391	34,475	2,365
(146)	59	26	(6)	(230)	407
(18,788)	(17,645)	(16,308)	37,385	34,245	2,772
2,222	2,465	(1,140)	(2,890)	2,523	(2,261)
4,480	2,015	3,155	12,629	10,106	12,367
6,702	4,480	2,015	9,739	12,629	10,106
—	—	—	284	177	3,139
\$ 6,702	\$ 4,480	\$ 2,015	\$ 9,455	\$ 12,452	\$ 6,967
\$ (1,466)	\$ (1,343)	\$ (1,075)	\$(21,874)	\$(17,095)	\$(15,518)
(4,036)	(2,203)	(1,829)	1,124	(666)	(1,425)

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