

## Statement of Earnings

	General Electric Company and consolidated affiliates		
	2008	2007	2006
For the years ended December 31 (In millions; per-share amounts in dollars)			
<b>REVENUES</b>			
Sales of goods	\$ 69,100	\$ 60,670	\$ 55,181
Sales of services	43,669	38,856	36,329
Other income (Note 3)	1,586	3,019	2,154
GECS earnings from continuing operations	—	—	—
GECS revenues from services (Note 4)	68,160	69,943	57,904
Total revenues	182,515	172,488	151,568
<b>COSTS AND EXPENSES (Note 5)</b>			
Cost of goods sold	54,602	47,309	43,279
Cost of services sold	29,170	25,816	23,494
Interest and other financial charges	26,209	23,762	18,879
Investment contracts, insurance losses and insurance annuity benefits	3,213	3,469	3,213
Provision for losses on financing receivables (Note 13)	7,518	4,431	3,062
Other costs and expenses	42,021	40,173	35,491
Minority interest in net earnings of consolidated affiliates	641	916	862
Total costs and expenses	163,374	145,876	128,280
<b>EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	19,141	26,612	23,288
Provision for income taxes (Note 7)	(1,052)	(4,155)	(3,944)
<b>EARNINGS FROM CONTINUING OPERATIONS</b>	18,089	22,457	19,344
Earnings (loss) from discontinued operations, net of taxes (Note 2)	(679)	(249)	1,398
<b>NET EARNINGS</b>	17,410	22,208	20,742
Preferred stock dividends declared	(75)	—	—
<b>NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS</b>	\$ 17,335	\$ 22,208	\$ 20,742
Per-share amounts (Note 8)			
Earnings from continuing operations			
Diluted earnings per share	\$ 1.78	\$ 2.20	\$ 1.86
Basic earnings per share	1.79	2.21	1.87
Net earnings			
Diluted earnings per share	1.72	2.17	2.00
Basic earnings per share	1.72	2.18	2.00
<b>DIVIDENDS DECLARED PER COMMON SHARE</b>	\$ 1.24	\$ 1.15	\$ 1.03

## Consolidated Statement of Changes in Shareowners' Equity

(In millions)	2008	2007	2006
<b>CHANGES IN SHAREOWNERS' EQUITY (Note 23)</b>			
Balance at January 1	\$115,559	\$111,509	\$108,633
Dividends and other transactions with shareowners	1,873	(23,102)	(17,983)
Other comprehensive income			
Investment securities—net	(3,218)	(1,484)	(223)
Currency translation adjustments—net	(11,007)	4,527	3,649
Cash flow hedges—net	(2,664)	(539)	223
Benefit plans—net	(13,288)	2,566	287
Total other comprehensive income	(30,177)	5,070	3,936
Increases attributable to net earnings	17,410	22,208	20,742
Comprehensive income	(12,767)	27,278	24,678
Cumulative effect of changes in accounting principles	—	(126)	(3,819)
Balance at December 31	\$104,665	\$115,559	\$111,509

See accompanying notes.

GE			GECS		
2008	2007	2006	2008	2007	2006
\$ 67,637	\$ 60,374	\$ 53,221	\$ 1,773	\$ 718	\$ 2,384
44,377	39,422	36,698	—	—	—
1,965	3,371	2,307	—	—	—
7,774	12,417	10,219	—	—	—
—	—	—	69,514	71,218	58,967
<b>121,753</b>	<b>115,584</b>	<b>102,445</b>	<b>71,287</b>	<b>71,936</b>	<b>61,351</b>
53,395	47,103	41,501	1,517	628	2,204
29,878	26,382	23,863	—	—	—
2,153	1,993	1,668	25,116	22,706	17,840
—	—	—	3,421	3,647	3,419
—	—	—	7,518	4,431	3,062
14,401	14,148	12,893	28,085	26,537	22,977
410	707	624	231	209	238
<b>100,237</b>	<b>90,333</b>	<b>80,549</b>	<b>65,888</b>	<b>58,158</b>	<b>49,740</b>
21,516	25,251	21,896	5,399	13,778	11,611
(3,427)	(2,794)	(2,552)	2,375	(1,361)	(1,392)
18,089	22,457	19,344	7,774	12,417	10,219
(679)	(249)	1,398	(719)	(2,116)	439
17,410	22,208	20,742	7,055	10,301	10,658
(75)	—	—	—	—	—
<b>\$ 17,335</b>	<b>\$ 22,208</b>	<b>\$ 20,742</b>	<b>\$ 7,055</b>	<b>\$10,301</b>	<b>\$10,658</b>

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. Separate information is shown for "GE" and "Financial Services (GECS)." Transactions between GE and GECS have been eliminated from the "General Electric Company and consolidated affiliates" columns on the prior page.

## Statement of Financial Position

At December 31 (In millions, except share amounts)	General Electric Company and consolidated affiliates	
	2008	2007
<b>ASSETS</b>		
Cash and equivalents	\$ 48,187	\$ 15,731
Investment securities (Note 9)	41,446	45,276
Current receivables (Note 10)	21,411	22,259
Inventories (Note 11)	13,674	12,897
Financing receivables— net (Notes 12 and 13)	365,168	376,123
Other GECS receivables	13,439	16,514
Property, plant and equipment— net (Note 14)	78,530	77,888
Investment in GECS	—	—
Goodwill (Note 15)	81,759	81,116
Other intangible assets— net (Note 15)	14,977	16,142
All other assets (Note 16)	106,899	122,848
Assets of businesses held for sale (Note 17)	10,556	—
Assets of discontinued operations (Note 2)	1,723	8,889
<b>Total assets</b>	<b>\$797,769</b>	<b>\$795,683</b>
<b>LIABILITIES AND EQUITY</b>		
Short-term borrowings (Note 18)	\$193,695	\$195,100
Accounts payable, principally trade accounts	20,819	21,338
Progress collections and price adjustments accrued	12,536	9,885
Dividends payable	3,340	3,100
Other GE current liabilities	18,220	15,816
Long-term borrowings (Note 18)	330,067	319,013
Investment contracts, insurance liabilities and insurance annuity benefits (Note 19)	34,032	34,068
All other liabilities (Note 20)	64,796	59,316
Deferred income taxes (Note 21)	4,584	12,490
Liabilities of businesses held for sale (Note 17)	636	—
Liabilities of discontinued operations (Note 2)	1,432	1,994
<b>Total liabilities</b>	<b>684,157</b>	<b>672,120</b>
Minority interest in equity of consolidated affiliates (Note 22)	8,947	8,004
Preferred stock (30,000 and 0 shares outstanding at year-end 2008 and 2007, respectively)	—	—
Common stock (10,536,897,000 and 9,987,599,000 shares outstanding at year-end 2008 and 2007, respectively)	702	669
Accumulated gains (losses)— net		
Investment securities	(3,094)	124
Currency translation adjustments	(299)	10,708
Cash flow hedges	(3,332)	(668)
Benefit plans	(15,128)	(1,840)
Other capital	40,390	26,100
Retained earnings	122,123	117,362
Less common stock held in treasury	(36,697)	(36,896)
<b>Total shareowners' equity (Notes 23 and 24)</b>	<b>104,665</b>	<b>115,559</b>
<b>Total liabilities and equity</b>	<b>\$797,769</b>	<b>\$795,683</b>

The sum of accumulated gains (losses) on investment securities, currency translation adjustments, cash flow hedges and benefit plans constitutes "Accumulated other comprehensive income," as shown in Note 23, and was \$(21,853) million and \$8,324 million at December 31, 2008 and 2007, respectively.

See accompanying notes.

GE		GECS	
2008	2007	2008	2007
\$ 12,090	\$ 6,702	\$ 37,486	\$ 9,439
213	343	41,236	44,941
15,064	15,093	—	—
13,597	12,834	77	63
—	—	372,456	384,067
—	—	18,636	22,078
14,433	14,142	64,097	63,746
53,279	57,676	—	—
56,394	55,689	25,365	25,427
11,364	11,633	3,613	4,509
22,435	40,608	85,721	83,392
—	—	10,556	—
64	66	1,659	8,823
<b>\$198,933</b>	<b>\$214,786</b>	<b>\$660,902</b>	<b>\$646,485</b>
<b>\$ 2,375</b>	<b>\$ 4,106</b>	<b>\$193,533</b>	<b>\$192,420</b>
11,699	11,120	13,882	14,714
13,058	10,374	—	—
3,340	3,100	—	—
18,284	15,816	—	—
9,827	11,656	321,068	308,502
—	—	34,369	34,359
32,767	32,859	32,090	26,522
(3,949)	3,391	8,533	9,099
—	—	636	—
189	302	1,243	1,692
<b>87,590</b>	<b>92,724</b>	<b>605,354</b>	<b>587,308</b>
<b>6,678</b>	<b>6,503</b>	<b>2,269</b>	<b>1,501</b>
—	—	—	—
702	669	1	1
(3,094)	124	(3,097)	110
(299)	10,708	(1,258)	7,472
(3,332)	(668)	(3,134)	(727)
(15,128)	(1,840)	(367)	(105)
40,390	26,100	18,079	12,574
122,123	117,362	43,055	38,351
(36,697)	(36,896)	—	—
<b>104,665</b>	<b>115,559</b>	<b>53,279</b>	<b>57,676</b>
<b>\$198,933</b>	<b>\$214,786</b>	<b>\$660,902</b>	<b>\$646,485</b>

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## Statement of Cash Flows

For the years ended December 31 (In millions)	General Electric Company and consolidated affiliates		
	2008	2007	2006
<b>CASH FLOWS — OPERATING ACTIVITIES</b>			
Net earnings	\$ 17,410	\$ 22,208	\$ 20,742
Loss (earnings) from discontinued operations	679	249	(1,398)
Adjustments to reconcile net earnings to cash provided from operating activities			
Depreciation and amortization of property, plant and equipment	11,492	10,275	8,457
Earnings from continuing operations retained by GECS	—	—	—
Deferred income taxes	(1,284)	657	1,639
Decrease (increase) in GE current receivables	(24)	(868)	(2,194)
Decrease (increase) in inventories	(719)	(1,562)	(1,514)
Increase (decrease) in accounts payable	(1,078)	(997)	(276)
Increase in GE progress collections	2,827	4,622	642
Provision for losses on GECS financing receivables	7,518	4,431	3,062
All other operating activities	11,020	927	3,352
Cash from operating activities — continuing operations	47,841	39,942	32,512
Cash from (used for) operating activities — discontinued operations	760	3,380	(1,057)
<b>CASH FROM OPERATING ACTIVITIES</b>	<b>48,601</b>	<b>43,322</b>	<b>31,455</b>
<b>CASH FLOWS — INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment	(16,010)	(17,803)	(15,788)
Dispositions of property, plant and equipment	10,975	8,457	6,795
Net increase in GECS financing receivables	(17,484)	(44,237)	(37,146)
Proceeds from sales of discontinued operations	5,423	11,574	11,009
Proceeds from principal business dispositions	4,986	2,746	1,883
Payments for principal businesses purchased	(28,110)	(17,215)	(11,573)
All other investing activities	195	(9,910)	(6,053)
Cash used for investing activities — continuing operations	(40,025)	(66,388)	(50,873)
Cash from (used for) investing activities — discontinued operations	(876)	(3,116)	(1,774)
Cash used for investing activities	(40,901)	(69,504)	(52,647)
<b>CASH FLOWS — FINANCING ACTIVITIES</b>			
Net increase (decrease) in borrowings (maturities of 90 days or less)	(34,221)	2,063	4,969
Newly issued debt (maturities longer than 90 days)	122,959	100,869	88,364
Repayments and other reductions (maturities longer than 90 days)	(69,050)	(49,826)	(49,346)
Proceeds from issuance of preferred stock and warrants	2,965	—	—
Proceeds from issuance of common stock	12,006	—	—
Net purchases of GE shares for treasury	(1,249)	(12,319)	(8,554)
Dividends paid to shareowners	(12,408)	(11,492)	(10,420)
All other financing activities	3,638	(1,204)	(1,174)
Cash from (used for) financing activities — continuing operations	24,640	28,091	23,839
Cash from (used for) financing activities — discontinued operations	(4)	(154)	(172)
<b>CASH FROM (USED FOR) FINANCING ACTIVITIES</b>	<b>24,636</b>	<b>27,937</b>	<b>23,667</b>
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS DURING YEAR</b>			
Cash and equivalents at beginning of year	16,031	14,276	11,801
Cash and equivalents at end of year	48,367	16,031	14,276
Less cash and equivalents of discontinued operations at end of year	180	300	190
Cash and equivalents of continuing operations at end of year	\$ 48,187	\$ 15,731	\$ 14,086
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION</b>			
Cash paid during the year for interest	\$ (25,853)	\$ (23,340)	\$(18,438)
Cash recovered (paid) during the year for income taxes	(3,237)	(2,912)	(2,869)

See accompanying notes.

GE			GECS		
2008	2007	2006	2008	2007	2006
\$ 17,410	\$ 22,208	\$ 20,742	\$ 7,055	\$ 10,301	\$ 10,658
679	249	(1,398)	719	2,116	(439)
2,162	2,149	1,953	9,330	8,126	6,504
(5,423)	(5,126)	(372)	—	—	—
(417)	564	703	(867)	93	936
(168)	14	760	—	—	—
(524)	(1,496)	(1,458)	(14)	2	(23)
233	(1,073)	289	(1,045)	485	(154)
2,896	4,620	927	—	—	—
—	—	—	7,518	4,431	3,062
2,238	1,192	1,626	8,508	(539)	1,035
19,086	23,301	23,772	31,204	25,015	21,579
(5)	(857)	855	765	4,039	(2,041)
19,081	22,444	24,627	31,969	29,054	19,538
(2,996)	(2,968)	(2,913)	(13,321)	(15,217)	(13,168)
—	—	—	10,975	8,457	6,795
—	—	—	(17,375)	(44,164)	(40,270)
203	10,826	1,987	5,220	117	9,022
58	1,047	1,497	4,928	1,699	386
(3,149)	(9,645)	(4,274)	(24,961)	(7,570)	(7,299)
(5,176)	(1,697)	100	5,979	(8,730)	(5,995)
(11,060)	(2,437)	(3,603)	(28,555)	(65,408)	(50,529)
5	1,003	(914)	(881)	(3,921)	(731)
(11,055)	(1,434)	(4,517)	(29,436)	(69,329)	(51,260)
(2,152)	(3,284)	1,233	(31,282)	3,397	6,470
136	8,751	130	122,507	92,019	88,280
(1,936)	(298)	(93)	(67,114)	(49,528)	(49,253)
2,965	—	—	—	—	—
12,006	—	—	—	—	—
(1,249)	(12,319)	(8,554)	—	—	—
(12,408)	(11,492)	(10,420)	(2,351)	(7,291)	(9,847)
—	—	—	3,638	(1,204)	(1,174)
(2,638)	(18,642)	(17,704)	25,398	37,393	34,476
—	(146)	59	(4)	(8)	(231)
(2,638)	(18,788)	(17,645)	25,394	37,385	34,245
5,388	2,222	2,465	27,927	(2,890)	2,523
6,702	4,480	2,015	9,739	12,629	10,106
12,090	6,702	4,480	37,666	9,739	12,629
—	—	—	180	300	190
\$ 12,090	\$ 6,702	\$ 4,480	\$ 37,486	\$ 9,439	\$ 12,439
\$ (1,190)	\$ (1,466)	\$ (1,343)	\$ (24,663)	\$ (21,874)	\$ (17,095)
(2,627)	(4,036)	(2,203)	(610)	1,124	(666)

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