

# GE second quarter '06 supplemental information

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**"Results are preliminary and unaudited.** This document contains "forward-looking statements" - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties which could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in interest rates and commodity prices; strategic actions, including dispositions; future integration of acquired businesses; future financial performance of major industries which we serve, including, without limitation, the air and rail transportation, energy generation, media, real estate and healthcare industries; unanticipated loss development in our insurance businesses; and numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive and regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements."



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# GECS segment results – continuing operations

(\$ in millions – net earnings)

	<u>2Q'06</u>	<u>2Q'05</u>	<u>V%</u>
<b>Commercial Finance</b>	<b>\$1,057</b>	<b>\$872</b>	<b>21%</b>
– Capital Solutions	433	325	33
– Real Estate	334	240	39
<b>Consumer Finance</b>	<b>\$880</b>	<b>\$735</b>	<b>20</b>
<b>Infrastructure<sup>-a)</sup></b>	<b>\$472</b>	<b>\$387</b>	<b>22</b>
<b>Industrial<sup>-a)</sup></b>	<b>\$60</b>	<b>\$36</b>	<b>67</b>
<b>Corp. items &amp; elims.</b>	<b>\$31</b>	<b>\$(2)</b>	<b>F</b>

(a- Includes only portions of the segment that are Financial Services)

# GECS segment assets

GECS & consolidated affiliates  
(\$ in billions)

	<u>2Q'06</u>	<u>2Q'05</u>	<u>V%</u>
Commercial Finance	\$206.5	\$185.7	11%
Consumer Finance	169.4	149.6	13
Infrastructure <sup>-a)</sup>	56.8	50.5	12
Industrial <sup>-a)</sup>	19.0	17.4	9
Corp. items & elims.	<u>61.5</u>	<u>64.8</u>	(5)
<b>Total GECS – continuing operations</b>	<b><u>\$513.2</u></b>	<b><u>\$468.0</u></b>	<b>10%</b>
Assets of discontinued operations	<u>15.1</u>	<u>143.9</u>	(90)
<b>Total GECS</b>	<b><u><u>\$528.3</u></u></b>	<b><u><u>\$611.9</u></u></b>	<b>(14)%</b>

(a- Includes only portions of the segment that are Financial Services

# GECS non-earnings/write-offs

(\$ in millions)

<u>Non-earnings</u>				<u>Write-offs</u>			
	<u>2Q'06</u>	<u>1Q'06</u>	<u>2Q'05</u>		<u>2Q'06</u>	<u>1Q'06</u>	<u>2Q'05</u>
<b>Commercial Finance</b>				<b>Commercial Finance</b>			
Non-earnings	\$1,387	\$1,271	\$1,557	Write-offs	\$72	\$93	\$223
% financing receivables	1.00%	0.95%	1.23%	% ANI	0.16%	0.21%	0.53%
<b>Consumer Finance</b>				<b>Consumer Finance</b>			
Non-earnings	\$3,042	2,816	2,662	Write-offs	804	757	825
% financing receivables	2.19	2.19	2.15	% ANI	2.07	2.01	2.32
<b>Infrastructure<sup>(a)</sup></b>				<b>Infrastructure<sup>(a)</sup></b>			
Non-earnings	1	1	80	Write-offs	38	29	185
% financing receivables	-	-	0.44	% ANI	0.33	0.26	1.74
<b>Industrial<sup>(a)</sup></b>				<b>Industrial<sup>(a)</sup></b>			
Non-earnings	7	8	11	Write-offs	4	4	8
% financing receivables	0.66	0.81	0.93	% ANI	0.11	0.13	0.24
<b>Corp. Items &amp; elims.</b>				<b>Corp. Items &amp; elims.</b>			
Non-earnings	73	86	144	Write-offs	5	3	7
% financing receivables	0.87	0.94	1.23	% ANI	0.15	0.10	0.17
<b>Total GECS</b>				<b>Total GECS</b>			
Non-earnings	\$4,510	\$4,182	\$4,454	Write-offs	\$924	\$888	\$1,249
% financing receivables	1.46%	1.44%	1.58%	% ANI	0.87%	0.86%	1.23%

(a- Includes only portions of the segment that are Financial Services)

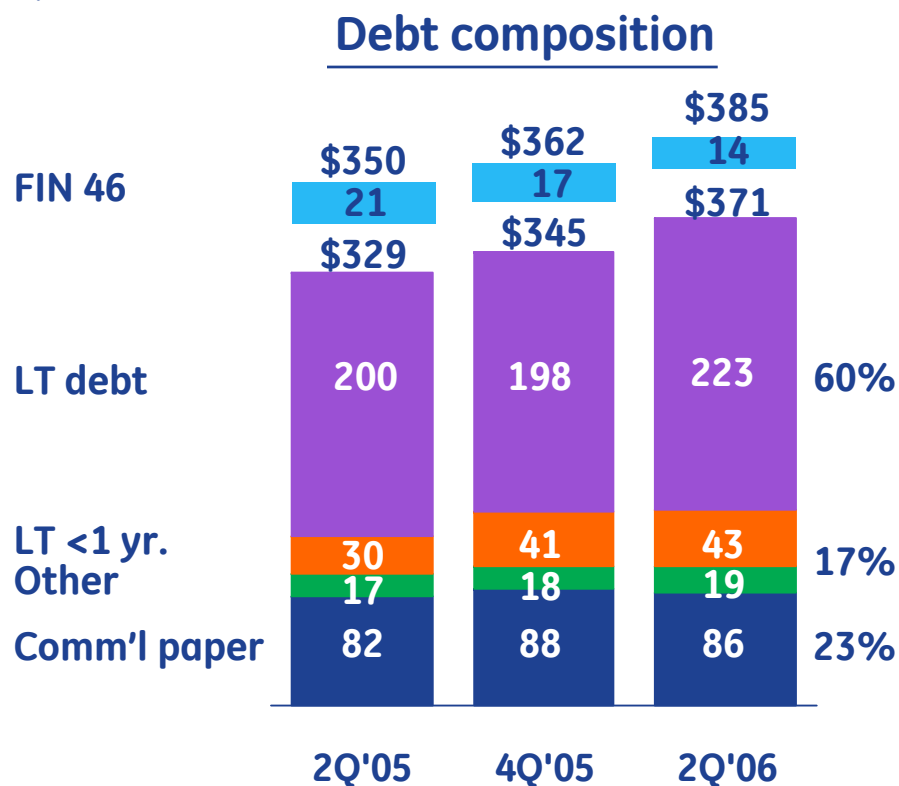


# GECS delinquency

	<u>2Q'06</u>	<u>1Q'06</u>	<u>2Q'05</u>
<b>Consumer Finance</b>			
On-book delinquency	5.24%	5.13%	5.18%
Off-book delinquency	4.92	5.24	4.71
Managed delinquency	5.22	5.14	5.15
 <b>Equipment Financing</b>			
On-book delinquency	1.55%	1.60%	1.42%
Off-book delinquency	0.45	0.61	0.98
Managed delinquency	1.29	1.31	1.31

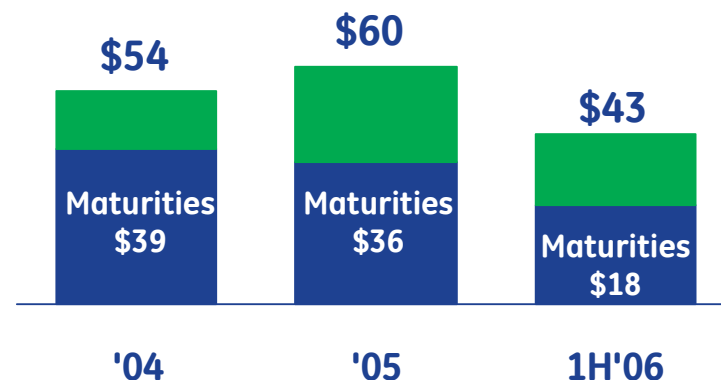
# GECS funding

(\$ in billions)



Bank lines	\$57	\$57	\$59
CP coverage	70%	65%	69%

## Unsecured term issuances



## 1H'06 highlights

- Strong business growth drove \$26B increase in debt (ex. Fin 46) since 4Q'05
- Global presence ... 44% unsecured term issuances in 15 international currencies
- Short term spreads remain tight ... widening for longer durations
- Added \$ 2B of back-up bank lines

**Continuing to execute on solid funding & liquidity strategy**



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# GE organic revenue growth – continuing operations

(\$ in millions)

	<u>2Q'06</u>	<u>2Q'05</u>	<u>V%</u>
Revenues as reported	\$39,900	\$36,539	9%
Less effects of:			
Acquisitions, business dispositions (other than dispositions of businesses acquired for investment) & currency exchange rates	<u>679</u>	<u>329</u>	
Revenues excluding the effects of acquisitions, business dispositions (other than dispositions of businesses acquired for investment) & currency exchange rates (organic revenues)	<u>\$39,221</u>	<u>\$36,210</u>	8%

# Industrial CFOA

(\$ in millions)

	<u>2Q'06 YTD</u>	<u>2Q'05 YTD</u>	<u>V%</u>
Cash from GE's operating activities as reported	\$14,323	\$8,027	78%
Less GECS dividends	<u>7,590</u>	<u>1,839</u>	
Cash from GE's operating activities excluding dividends from GECS (Industrial CFOA)	<u>\$6,733</u>	<u>\$6,188</u>	9%



# Effective tax rate GE (ex. GECS)

(\$ in millions)

	<u>2Q'06</u>	<u>2Q'06 YTD</u>
GE earnings from continuing operations before income taxes	\$5,577	\$10,164
Less GECS earnings from continuing operations	<u>2,500</u>	<u>4,770</u>
Adjusted earnings from continuing operations before income taxes	\$3,077	\$5,394
GE provision for income taxes – continuing operations	\$723	\$1,268
Effective tax rate GE (ex. GECS)	24%	24%

# GE Industrial op profit % ex. pension costs

(\$ in millions)

	2Q'06			2Q'05				2H'05		
	Revenues	Op profit	Op profit %	Revenues	Op profit	Op profit %	V pts.	Revenues	Op profit	Op profit %
As reported	\$25,143	\$3,563	14.2%	\$23,032	\$3,467	15.1%	(0.9) pts.	\$47,999	\$7,192	15.0%
Less:										
Pension costs	<u>—</u>	<u>(181)</u>		<u>—</u>	<u>(70)</u>			<u>—</u>	<u>(204)</u>	
Adjusted GE Industrial revenue, op profit & op profit % excluding the effects of pension costs	<u>\$25,143</u>	<u>\$3,744</u>	14.9%	<u>\$23,032</u>	<u>\$3,537</u>	15.4%	(0.5) pts.	<u>\$47,999</u>	<u>\$7,396</u>	15.4%

# 3Q'06 key businesses profit guidance

## 3Q'06 key businesses profit

Aviation	10-15%
Energy	25-30
O&G	25+
Transportation	20+
Financial Services verticals	15-20
C&I	20+
Plastics	~0
Equipment Services	20+
Cap Solutions	15-20
Real Estate	~10



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# Average total shareowners' equity, excluding effects of discontinued operations

	Three months ended June 30 (\$MM)	
Average total shareowners' equity, excluding effects of discontinued operations (a)	2006	2005
Average total shareowners' equity (b)	\$ 110,196	\$ 107,367
Less:		
Cumulative effect of earnings from discontinued operations (c)	761	3,344
Average net investment in discontinued operations (d)	7,001	-
<b>Average total shareowners' equity, excluding effect of discontinued operations (a)</b>	<b>\$ 102,434</b>	<b>\$ 104,023</b>

- (a) Used for computing return on average total capital invested (ROTC). For GE, ROTC is earnings from continuing operations plus the sum of after-tax interest and other financial charges and minority interest, divided by the sum of the averages of total shareowners' equity (excluding effects of discontinued operations), borrowings, mandatorily redeemable preferred stock and minority interest (on a 12-month basis, calculated using a five-point average).
- (b) On a twelve-month basis, calculated using a five-point average.
- (c) Represented the average cumulative net earnings effect of discontinued operations from 2001 through the first half of 2005 (on a twelve-month basis, calculated using a five-point average).
- (d) Represented the average net investment in discontinued operations since the second half of 2005.

U.S. GAAP requires earnings of discontinued operations to be displayed separately in the Statement of Earnings. Accordingly, the numerator used in our calculation of return on average total capital invested excludes those earnings (losses). Further we believe it is appropriate to exclude from the average shareowners' equity component of the denominator the cumulative effect of those earnings (losses) since 2000 (reclassifications for discontinued operations began in 2001), 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.