

GENERAL ELECTRIC CO  
Form 10-Q  
July 24, 2006

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO  
SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2006

OR

TRANSITION REPORT PURSUANT TO  
SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_ to \_\_\_\_

Commission file number 1-35

**GENERAL ELECTRIC COMPANY**

(Exact name of registrant as specified in its  
charter)

**New York**

(State or other jurisdiction of  
incorporation or organization)

**14-0689340**

(I.R.S. Employer Identification No.)

**3135 Easton Turnpike, Fairfield, CT**

(Address of principal executive offices)

**06828-0001**

(Zip Code)

(Registrant's telephone number, including area code) **(203) 373-2211**

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(Former name, former address and former fiscal year,  
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

There were 10,323,359,000 shares of common stock with a par value of \$0.06 per share outstanding at June 30, 2006.

(1)

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## General Electric Company

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### Forward-Looking Statements

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 of this 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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**Part I. Financial Information****Item 1. Financial Statements****Condensed Statement of Earnings****General Electric Company and consolidated affiliates****Three months ended June 30 (Unaudited)**

<i>(In millions; per-share amounts in dollars)</i>	<b>Consolidated</b>		<b>GE</b>		<b>Financial Services (GECS)</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Sales of goods	\$ 16,524	\$ 14,749	\$ 15,993	\$ 14,101	\$ 712	\$ 664
Sales of services	8,373	8,240	8,455	8,307	-	-
Other income	657	596	695	624	-	-
GECS earnings from continuing operations	-	-	2,500	2,028	-	-
GECS revenues from services	14,346	12,954	-	-	14,595	13,297
Total revenues	39,900	36,539	27,643	25,060	15,307	13,961
Cost of goods sold	12,827	11,425	12,350	10,812	659	628
Cost of services sold	5,316	5,171	5,397	5,238	-	-
Interest and other financial charges	4,533	3,786	486	336	4,202	3,603
Investment contracts, insurance losses and insurance annuity benefits	793	799	-	-	831	850
Provision for losses on financing receivables	896	958	-	-	896	958
Other costs and expenses	9,406	8,741	3,647	3,266	5,853	5,643
Minority interest in net earnings of consolidated affiliates	235	290	186	249	49	41
Total costs and expenses	34,006	31,170	22,066	19,901	12,490	11,723
Earnings from continuing operations before income taxes	5,894	5,369	5,577	5,159	2,817	2,238
Provision for income taxes	(1,040)	(993)	(723)	(783)	(317)	(210)
Earnings from continuing operations	4,854	4,376	4,854	4,376	2,500	2,028
Earnings (loss) from discontinued operations, net of taxes	(2)	271	(2)	271	(2)	271
Net earnings	\$ 4,852	\$ 4,647	\$ 4,852	\$ 4,647	\$ 2,498	\$ 2,299
Per-share amounts						
Per-share amounts - earnings from continuing operations						
Diluted earnings per share	\$ 0.47	\$ 0.41				
Basic earnings per share	\$ 0.47	\$ 0.41				

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Per-share amounts - net earnings

Diluted earnings per share	\$	0.47	\$	0.44
Basic earnings per share	\$	0.47	\$	0.44
Dividends declared per share	\$	0.25	\$	0.22

See notes to condensed, consolidated financial statements. Separate information is shown for “GE” and “Financial Services (GECS).” Transactions between GE and GECS have been eliminated from the “Consolidated” columns.

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**Condensed Statement of Earnings**  
**General Electric Company and consolidated affiliates**

**Six months ended June 30 (Unaudited)**

<i>(In millions; per-share amounts in dollars)</i>	<b>Consolidated</b>		<b>GE</b>		<b>Financial Services (GECS)</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Sales of goods	\$ 31,059	\$ 28,405	\$ 30,019	\$ 27,089	\$ 1,267	\$ 1,338
Sales of services	17,322	15,989	17,515	16,152	-	-
Other income	1,108	913	1,174	954	-	-
GECS earnings from continuing operations	-	-	4,770	3,891	-	-
GECS revenues from services	28,232	25,582	-	-	28,721	26,228
Total revenues	77,721	70,889	53,478	48,086	29,988	27,566
Cost of goods sold	24,483	22,031	23,538	20,789	1,172	1,263
Cost of services sold	11,321	10,107	11,514	10,270	-	-
Interest and other financial charges	8,894	7,457	870	717	8,309	7,017
Investment contracts, insurance losses and insurance annuity benefits	1,542	1,626	-	-	1,636	1,716
Provision for losses on financing receivables	1,718	1,860	-	-	1,718	1,860
Other costs and expenses	18,443	17,589	7,043	6,577	11,576	11,333
Minority interest in net earnings of consolidated affiliates	473	506	349	435	124	71
Total costs and expenses	66,874	61,176	43,314	38,788	24,535	23,260
Earnings from continuing operations before income taxes	10,847	9,713	10,164	9,298	5,453	4,306
Provision for income taxes	(1,951)	(1,777)	(1,268)	(1,362)	(683)	(415)
Earnings from continuing operations	8,896	7,936	8,896	7,936	4,770	3,891
Earnings from discontinued operations, net of taxes	261	676	261	676	261	676
Net earnings	\$ 9,157	\$ 8,612	\$ 9,157	\$ 8,612	\$ 5,031	\$ 4,567
Per-share amounts						
Per-share amounts - earnings from continuing operations						
Diluted earnings per share	\$ 0.85	\$ 0.75				
Basic earnings per share	\$ 0.86	\$ 0.75				
Per-share amounts - net earnings						
Diluted earnings per share	\$ 0.88	\$ 0.81				
Basic earnings per share	\$ 0.88	\$ 0.81				
Dividends declared per share	\$ 0.50	\$ 0.44				

See notes to condensed, consolidated financial statements. Separate information is shown for “GE” and “Financial Services (GECS).” Transactions between GE and GECS have been eliminated from the “Consolidated” columns.

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**Condensed Statement of Financial Position**  
**General Electric Company and consolidated affiliates**

*(In millions; except share amounts)*

	<b>Consolidated</b>		<b>GE</b>		<b>Financial Services (GECS)</b>	
	<b>6/30/06</b>	<b>12/31/05</b>	<b>6/30/06</b>	<b>12/31/05</b>	<b>6/30/06</b>	<b>12/31/05</b>