

GENERAL ELECTRIC CO
Form 10-Q
July 27, 2007

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, 2007

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**

(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 10,246,177,000 shares of common stock with a par value of \$0.06 per share outstanding at June 30, 2007.

(1)

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 “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in interest and exchange rates and commodity and equity prices; the commercial and consumer credit environment; the impact of regulation and regulatory, investigative and legal actions; strategic actions, including acquisitions and 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; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive 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.

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>	Consolidated		GE		Financial Services (GECS)	
	2007	2006	2007	2006	2007	2006
Sales of goods	\$ 14,798	\$ 14,234	\$ 14,867	\$ 13,703	\$ 28	\$ 712
Sales of services	9,314	8,373	9,463	8,455	-	-
Other income	1,423	644	1,513	682	-	-
GECS earnings from continuing operations	-	-	2,167	2,594	-	-
GECS revenues from services	16,781	14,494	-	-	17,076	14,743
Total revenues	42,316	37,745	28,010	25,434	17,104	15,455
Cost of goods sold	11,900	11,006	11,974	10,529	23	659
Cost of services sold	5,607	5,316	5,756	5,397	-	-
Interest and other financial charges	5,718	4,480	422	439	5,540	4,196
Investment contracts, insurance losses and insurance annuity benefits	892	793	-	-	925	831
Provision for losses on financing receivables	1,301	896	-	-	1,301	896
Other costs and expenses	10,201	9,174	3,526	3,415	6,783	5,853
Minority interest in net earnings of consolidated affiliates	217	216	179	167	38	49
Total costs and expenses	35,836	31,881	21,857	19,947	14,610	12,484
Earnings from continuing operations before income taxes	6,480	5,864	6,153	5,487	2,494	2,971
Provision for income taxes	(1,081)	(1,063)	(754)	(686)	(327)	(377)
Earnings from continuing operations	5,399	4,801	5,399	4,801	2,167	2,594
Earnings (loss) from discontinued operations, net of taxes	21	145	21	145	(1)	(2)
Net earnings	\$ 5,420	\$ 4,946	\$ 5,420	\$ 4,946	\$ 2,166	\$ 2,592
Per-share amounts						
Per-share amounts - earnings from continuing operations						
Diluted earnings per share	\$ 0.52	\$ 0.46				
Basic earnings per share	\$ 0.53	\$ 0.46				

Per-share amounts - net earnings

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Diluted earnings per share	\$	0.53	\$	0.48
Basic earnings per share	\$	0.53	\$	0.48
Dividends declared per share	\$	0.28	\$	0.25

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.

(3)

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>	Consolidated		GE		Financial Services (GECS)	
	2007	2006	2007	2006	2007	2006
Sales of goods	\$ 27,503	\$ 26,549	\$ 27,604	\$ 25,509	\$ 60	\$ 1,267
Sales of services	17,706	17,322	17,996	17,515	-	-
Other income	1,934	1,094	2,087	1,160	-	-
GECS earnings from continuing operations	-	-	5,192	4,999	-	-
GECS revenues from services	33,803	28,588	-	-	34,378	29,077
Total revenues	80,946	73,553	52,879	49,183	34,438	30,344
Cost of goods sold	22,160	20,951	22,273	20,006	48	1,172
Cost of services sold	10,870	11,321	11,160	11,514	-	-
Interest and other financial charges	11,375	8,793	955	788	10,864	8,290
Investment contracts, insurance losses and insurance annuity benefits	1,752	1,542	-	-	1,855	1,636
Provision for losses on financing receivables	2,475	1,718	-	-	2,475	1,718
Other costs and expenses	19,999	17,964	6,953	6,564	13,227	11,576
Minority interest in net earnings of consolidated affiliates	439	435	308	311	131	124
Total costs and expenses	69,070	62,724	41,649	39,183	28,600	24,516
Earnings from continuing operations before income taxes	11,876	10,829	11,230	10,000	5,838	5,828
Provision for income taxes	(2,010)	(2,015)	(1,364)	(1,186)	(646)	(829)
Earnings from continuing operations	9,866	8,814	9,866	8,814	5,192	4,999
Earnings (loss) from discontinued operations, net of taxes	62	572	62	572	(3)	261
Net earnings	\$ 9,928	\$ 9,386	\$ 9,928	\$ 9,386	\$ 5,189	\$ 5,260
Per-share amounts						
Per-share amounts - earnings from continuing operations						
Diluted earnings per share	\$ 0.96	\$ 0.84				
Basic earnings per share	\$ 0.96	\$ 0.85				
Per-share amounts - net earnings						
Diluted earnings per share	\$ 0.96	\$ 0.90				
Basic earnings per share	\$ 0.97	\$ 0.90				
Dividends declared per share	\$ 0.56	\$ 0.50				

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

<i>(In millions; except share amounts)</i>	Consolidated		GE		Financial Services (GECS)	
	6/30/07	12/31/06	6/30/07	12/31/06	6/30/07	12/31/06
Cash and equivalents	\$ 15,850	\$ 14,275	\$ 2,093	\$ 4,480	\$ 14,066	\$ 12,629
Investment securities	45,131	47,826	409	342	44,730	47,492
Current receivables	12,734	13,449	13,147	13,773	-	-
Inventories	12,547	9,954	12,492	9,900	55	54
Financing receivables - net	350,042	334,205	-	-	350,070	334,232
Other GECS receivables	16,412	17,067	-	-	21,616	21,853
Property, plant and equipment (including equipment leased to others) - net	76,390	70,903	13,420	12,675	62,970	58,228
Investment in GECS	-	-	55,064	54,097	-	-
Intangible assets - net	92,543	84,352	64,362	58,384	28,181	25,968
All other assets	107,835	96,530	36,422	33,496	72,336	64,212
Assets of discontinued operations	9,049	8,678	9,049	8,678	-	-