

GENERAL ELECTRIC CAPITAL CORP
Form 10-Q/A
January 19, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

**FORM 10-Q/A
Amendment No. 1 to 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 March 31, 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 1-6461

GENERAL ELECTRIC CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

13-1500700

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

260 Long Ridge Road, Stamford, CT

(Address of principal executive offices)

06927

(Zip Code)

(Registrant's telephone number, including area code) **(203) 357-4000**

(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 "

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 Exchange Act).
Yes No

At April 25, 2006, 3,985,403 shares of voting common stock, which constitute all of the outstanding common equity, with a par value of \$14 per share were outstanding.

REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H(1)(a) AND (b) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM 10-Q WITH THE REDUCED DISCLOSURE FORMAT.

(1)

General Electric Capital Corporation

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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; 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.

Explanatory Note

Overview

General Electric Capital Corporation (GECC) is filing this amendment to its Quarterly Report on Form 10-Q for the period ended March 31, 2006, to amend and restate financial statements and other financial information for the three months ended March 31, 2006 and 2005. The restatement adjusts our accounting for interest rate swap transactions related to a portion of the commercial paper issued by GECC, and General Electric Capital Services, Inc. (GECS), from January 1, 2001, the date we adopted Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended. The restatement has no effect on our cash flows or liquidity, and its effects on our financial position at the ends of the respective restated periods are immaterial. We have not found that any of our hedge positions were inconsistent with our risk management policies or economic objectives.

For the three months ended March 31, 2006 and 2005, this non-cash restatement had the following earnings effects:

<i>(In millions)</i>	Effects of Correction	
	Three months ended	
	March 31	
	2006	2005
Increase in earnings from continuing operations	\$ 118	\$ 206

Background

As previously disclosed, the Boston Office of the U.S. Securities and Exchange Commission (SEC) is conducting a formal investigation of our application of SFAS 133. In the course of that investigation, the SEC Enforcement staff raised certain concerns about our accounting for the use of interest rate swaps to fix certain otherwise variable interest costs in a portion of our commercial paper program at GECC and GECS. The SEC Enforcement staff referred such concerns to the Office of Chief Accountant. We and our auditors determined that our accounting for the commercial paper hedging program satisfied the requirements of SFAS 133 and conveyed our views to the staff of the Office of Chief Accountant. Following our discussions, however, the Office of Chief Accountant communicated its view to us that our commercial paper hedging program as structured did not meet the SFAS 133 specificity requirement.

After considering the staff's view, General Electric Company (GE) and GECC management recommended to the Audit Committee of GE's Board of Directors that previously reported financial results be restated to eliminate hedge accounting for the interest rate swaps entered into as part of our commercial paper hedging program from January 1, 2001. The Audit Committee discussed and agreed with this recommendation. At a meeting on January 18, 2007, the GE and GECC Board of Directors adopted the recommendation of the Audit Committee and determined that previously reported results for GECC should be restated and, therefore, that the previously filed financial statements and other financial information referred to above should not be relied upon. The restatement resulted from a material weakness in internal control over financial reporting, namely, that we did not have adequately designed procedures to designate, with the specificity required under SFAS 133, each hedged commercial paper transaction.

(3)

As of January 1, 2007, we modified our commercial paper hedging program and adopted documentation for interest rate swaps that we believe complies with the requirements of SFAS 133 and remediated the related internal control weakness.

The SEC investigation into our application of SFAS 133 and hedge accounting is continuing. We continue to cooperate fully.

Amendment to this Form 10-Q

The following sections of this Form 10-Q have been revised to reflect the restatement: Part I - Item 1 - Financial Statements, - Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations; and - Item 4 - Controls and Procedures; and Part II - Exhibits are revised in this filing to reflect the restatement. Except to the extent relating to the restatement of our financial statements and other financial information described above, the financial statements and other disclosure in this Form 10-Q do not reflect any events that have occurred after this Form 10-Q was initially filed on April 26, 2006.

Effects of Restatement

The following tables set forth the effects of the restatement relating to the aforementioned hedge accounting on affected line items within our previously reported Statements of Earnings for the period ended March 31, 2006 and 2005. The restatement has no effect on our cash flows or liquidity, and its effects on our financial position at the ends of the respective restated periods are immaterial.

Effects on Statements of Earnings

<i>(Income (expense); in millions)</i>	Three months ended	
	March 31	
	2006	2005
Commercial paper interest rate swap adjustment (note 1) ^(a)	\$ 180	\$ 327
Interest	15	14
Earnings from continuing operations before income taxes	195	341
Provision for income taxes	(77)	(135)
Earnings from continuing operations	118	206
Net earnings	118	206
Retained earnings at beginning of period	(421)	(753)
Retained earnings at end of period	(303)	(547)

(a) Included in total revenues.

(4)

For additional information relating to the effect of the restatement, see the following items:

Part I:

Item 1 - Financial Statements

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 4 - Controls and Procedures

Part II:

Item 6 - Exhibits

In light of the restatement, readers should not rely on our previously filed financial statements and other financial information for the three months ended March 31, 2006 and 2005.

(5)

Part I. Financial Information**Item 1. Financial Statements****General Electric Capital Corporation and consolidated affiliates
Condensed Statement of Current and Retained Earnings
(Unaudited)**

	Three months ended	
	March 31	
<i>(In millions)</i>	2006	2005
	(Restated)	(Restated)
Revenues		
Revenues from services (note 3)	\$ 13,248	\$ 12,120
Sales of goods	555	674
Commercial paper interest rate swap adjustment (note 1)	180	327
Total revenues	13,983	13,121
Costs and expenses		
Interest	4,009	3,344
Operating and administrative	4,166	4,051
Cost of goods sold	513	635
Investment contracts, insurance losses and insurance annuity benefits	148	202
Provision for losses on financing receivables	825	928
Depreciation and amortization	1,486	1,621
Minority interest in net earnings of consolidated affiliates	94	21
Total costs and expenses	11,241	10,802
Earnings from continuing operations before income taxes	2,742	2,319
Provision for income taxes	(398)	(285)
Earnings from continuing operations	2,344	2,034
Earnings from discontinued operations, net of taxes (note 2)	128	249
Net earnings	2,472	2,283
Dividends	(4,749)	(239)
Retained earnings at beginning of period	35,506	34,194
Retained earnings at end of period	\$ 33,229	\$ 36,238

The notes to condensed, consolidated financial statements are an integral part of this statement.

General Electric Capital Corporation and consolidated affiliates
Condensed Statement of Financial Position

<i>(In millions)</i>	March 31, 2006 (Restated) (Unaudited)	December 31, 2005 (Restated)
Assets		
Cash and equivalents	\$ 5,892	\$ 5,996
Investment securities	21,491	18,467
Inventories	161	159
Financing receivables - net (note 4)	282,556	284,567
Other receivables	26,475	25,250
Buildings and equipment, less accumulated amortization of \$21,454 and \$21,271	51,220	50,936
Intangible assets - net (note 5)	23,119	23,086
Other assets	52,065	49,507
Assets of discontinued operations (note 2)	14,520	17,291
Total assets	\$ 477,499	\$ 475,259
Liabilities and equity		
Borrowings (note 6)	\$ 359,920	\$ 355,885
Accounts payable	14,009	14,345
Investment contracts, insurance liabilities and insurance annuity benefits	12,638	12,094
Other liabilities	15,235	16,269
Deferred income taxes	11,890	11,069
Liabilities of discontinued operations (note 2)	13,753	13,195
Total liabilities	427,445	422,857
Minority interest in equity of consolidated affiliates	2,260	2,212
Capital stock	56	56
Accumulated gains (losses) - net		
Investment securities	581	744
Currency translation adjustments	2,044	2,343
Cash flow hedges	(153)	(367)
Minimum pension liabilities	(157)	(147)
Additional paid-in capital	12,194	12,055
Retained earnings	33,229	35,506
Total shareowner's equity	47,794	50,190
Total liabilities and equity	\$ 477,499	\$ 475,259

The sum of accumulated gains (losses) on investment securities, currency translation adjustments, cash flow hedges and minimum pension liabilities constitutes "Accumulated nonowner changes other than earnings," and was \$2,315 million and \$2,573 million at March 31, 2006 and December 31, 2005, respectively.

The notes to condensed, consolidated financial statements are an integral part of this statement.

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General Electric Capital Corporation and consolidated affiliates
Condensed Statement of Cash Flows
(Unaudited)

(In millions)

	Three months ended	
	March 31	
	2006	2005
	(Restated)^(a)	(Restated)^(a)
Cash flows - operating activities		
Net earnings	\$ 2,472	\$ 2,283
Earnings from discontinued operations	(128)	(249)
Adjustments to reconcile net earnings to cash provided from operating activities		
Depreciation and amortization of buildings and equipment	1,486	1,621
Decrease in accounts payable	(85)	(210)
Provision for losses on financing receivables	825	928
All other operating activities	(1,301)	1,349
Cash from operating activities - continuing operations	3,269	5,722
Cash from operating activities - discontinued operations	33	814
Cash from operating activities	3,302	6,536
Cash flows - investing activities		
Additions to buildings and equipment	(2,038)	(2,407)
Dispositions of buildings and equipment	1,047	1,709
Increase in loans to customers	(70,707)	(75,616)
Principal collections from customers - loans	65,213	74,213
Investment in equipment for financing leases	(5,766)	(5,209)
Principal collections from customers - financing leases	5,878	5,712
Net change in credit card receivables	3,506	1,923
Payments for principal businesses purchased	(424)	(4,631)
All other investing activities	(1,167)	(480)
Cash used for investing activities - continuing operations	(4,458)	(4,786)
Cash from (used for) investing activities - discontinued operations	7	(214)
Cash used for investing activities	(4,451)	(5,000)
Cash flows - financing activities		
Net decrease in borrowings (maturities of 90 days or less)	(2,471)	(3,766)
Newly issued debt:		
Short-term (91 to 365 days)	316	401
Long-term (longer than one year)	24,177	22,881
Non-recourse, leveraged lease	73	47
Repayments and other debt reductions:		
Short-term (91 to 365 days)	(14,051)	(14,667)
Long-term (longer than one year)	(2,510)	(5,632)
Non-recourse, leveraged lease	(382)	(504)
Dividends paid to shareowner	(4,609)	(239)
All other financing activities	542	(297)
Cash from (used for) financing activities - continuing operations	1,085	(1,776)
Cash used for financing activities - discontinued operations	(28)	(613)
Cash from (used for) financing activities	1,057	(2,389)

Decrease in cash and equivalents	(92)	(853)
Cash and equivalents at beginning of year	6,182	9,840
Cash and equivalents at March 31	6,090	8,987
Less cash and equivalents of discontinued operations at March 31	198	1,484
Cash and equivalents of continuing operations at March 31	\$ 5,892	\$ 7,503

The notes to condensed, consolidated financial statements are an integral part of this statement.

(a) Certain individual line items within cash from operating activities have been restated.

(8)

Notes to Condensed, Consolidated Financial Statements (Unaudited)

1. Our financial statements are prepared in conformity with the U.S. generally accepted accounting principles (GAAP). Preparing financial statements in conformity with GAAP requires us to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates. These statements include all adjustments (consisting of normal recurring accruals) that we considered necessary to present a fair statement of our results of operations, financial position and cash flows. The results reported in these condensed, consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year. We reclassified certain prior-period amounts to conform to the current period's presentation.

All of our outstanding common stock is owned by General Electric Capital Services, Inc. (GE Capital Services or GECS), all of whose common stock is owned, directly or indirectly, by General Electric Company (GE Company or GE). Unless otherwise indicated, information in these notes to condensed, consolidated financial statements relates to continuing operations. Our financial statements consolidate all of our affiliates - companies that we control and in which we hold a majority voting interest. Details of total revenues and segment profit by operating segment can be found on page 20 of this report.

We label our quarterly information using a calendar convention, that is, first quarter is labeled as ending on March 31, second quarter as ending on June 30, and third quarter as ending on September 30. It is our longstanding practice to establish interim quarterly closing dates using a fiscal calendar, which requires our businesses to close their books on a Saturday. The effects of this practice are modest and only exist within a reporting year. The fiscal closing calendar from 1993 through 2013 is available on our website, www.ge.com/secreports.

2007 Restatement

General Electric Capital Corporation (GECC) is filing this amendment to its Quarterly Report on Form 10-Q for the period ended March 31, 2006, to amend and restate financial statements and other financial information for the three months ended March 31, 2006 and 2005. The restatement adjusts our accounting for interest rate swap transactions related to a portion of the commercial paper issued by GECC, and General Electric Capital Services, Inc. (GECS), from January 1, 2001, the date we adopted Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended. The restatement has no effect on our cash flows or liquidity, and its effects on our financial position at the ends of the respective restated periods are immaterial.

Background

As previously disclosed, the Boston Office of the U.S. Securities and Exchange Commission (SEC) is conducting a formal investigation of our application of SFAS 133. In the course of that investigation, the SEC Enforcement staff raised certain concerns about our accounting for the use of interest rate swaps to fix certain otherwise variable interest costs in a portion of our commercial paper program at GECC and GECS. The SEC Enforcement staff referred such concerns to the Office of Chief Accountant. We and our auditors determined that our accounting for the commercial paper hedging program satisfied the requirements of SFAS 133 and conveyed our views to the staff of the Office of Chief Accountant. Following our discussions, however, the Office of Chief Accountant communicated its view to us that our commercial paper hedging program as structured did not meet the SFAS 133 specificity requirement.

After considering the staff's view, General Electric Company (GE) and GECC management recommended to the Audit Committee of GE's Board of Directors that previously reported financial results be restated to eliminate hedge accounting for the interest rate swaps entered into as part of our commercial paper hedging program from January 1, 2001. The Audit Committee discussed and agreed with this recommendation. At a meeting on January 18, 2007, the GE and GECC Board of Directors adopted the recommendation of the Audit Committee and determined that previously reported results for GECC should be restated and, therefore, that the previously filed financial statements and other financial information referred to above should not be relied upon. The restatement resulted from a material weakness in internal control over financial reporting, namely, that we did not have adequately designed procedures to designate, with the specificity required under SFAS 133, each hedged commercial paper transaction.

The SEC investigation into our application of SFAS 133 and hedge accounting is continuing. We continue to cooperate fully.

Effects of the restatement by line item follow:

	Three months ended March 31			
	2006		2005	
<i>(In millions) (unaudited)</i>	As previously reported	As restated	As previously reported	As restated
Statement of Earnings				
Commercial paper interest rate swap adjustment ^(a)	\$ -	\$ 180	\$ -	\$ 327
Interest	4,024	4,009	3,358	3,344
Earnings from continuing operations before income taxes	2,547	2,742	1,978	2,319
Provision for income taxes	(321)	(398)	(150)	(285)
Earnings from continuing operations	2,226	2,344	1,828	2,034
Net earnings	2,354	2,472	2,077	2,283
Retained earnings at beginning of period	35,927	35,506	34,947	34,194
Retained earnings at end of period	33,532	33,229	36,785	36,238

(a) Included in total revenues.

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<i>(In millions) (unaudited)</i>	At			
	3/31/06		12/31/05	
	As previously reported	As restated	As previously reported	As restated
Statement of Financial Position				
Other assets	\$ 52,021	\$ 52,065	\$ 49,521	\$ 49,507
Total assets	477,455	477,499	475,273	475,259
Accounts payable	13,941	14,009	14,345	14,345
Other liabilities	15,221	15,235	16,269	16,269
Deferred income taxes	11,963	11,890	11,085	11,069
Total liabilities	427,436	427,445	422,873	422,857
Cash flow hedges	(491)	(153)	(790)	(367)
Retained earnings	33,532	33,229	35,927	35,506
Total shareowner's equity	47,759	47,794	50,188	50,190
Total liabilities and equity	477,455	477,499	475,273	475,259

2. At March 31, 2006, we classified GE Life and Genworth Financial, Inc. (Genworth) as discontinued operations. Associated results of operations, financial position and cash flows are separately reported for all periods presented.

Planned sale of GE Life

In March 2006, we initiated a plan to sell GE Life, our U.K.-based life insurance operation. GE Life's assets were \$14,520 million at March 31, 2006; its first quarter 2006 revenues were \$799 million; and its first quarter 2006 earnings were insignificant. We have provided for a pre-tax loss of \$210 million (\$175 million after tax) based on our best estimate of sales proceeds. We anticipate selling GE Life by March 31, 2007.

Completed sale of Genworth

In March 2006, we completed the sale of our remaining 18% investment in Genworth through a secondary public offering of 71 million shares of Class A Common Stock and direct sale to Genworth of 15 million shares of Genworth Class B Common Stock. As a result, we recognized a pre-tax gain of \$516 million (\$300 million after tax).

Summarized financial information for discontinued operations is set forth below. Gain on disposal included both actual (Genworth) and estimated (GE Life) effects.

**Three months ended
March 31**

<i>(In millions)</i>	2006	2005
Discontinued operations before disposal		
Revenues from services	\$ 803	\$ 3,210
Earnings from discontinued operations before minority interest and income taxes	\$ 7	\$ 487
Minority interest	-	99
Earnings from discontinued operations before income taxes	7	388
Income tax expense	(4)	(225)
Earnings from discontinued operations before disposal, net of taxes	\$ 3	\$ 163
Disposal		
Gain on disposal before income taxes	\$ 306	\$ 156
Income tax expense	(181)	(70)
Gain on disposal, net of taxes	\$ 125	\$ 86
Earnings from discontinued operations, net of taxes	\$ 128	\$ 249

<i>(In millions)</i>	At	
	3/31/06	12/31/05
Assets		
Cash and equivalents	\$ 198	\$ 186
Investment securities	11,389	13,977
Other receivables	370	435
Other	2,563	2,693
Assets of discontinued operations	\$ 14,520	\$ 17,291
Liabilities and equity		
Investment contracts, insurance liabilities and insurance annuity benefits	\$ 12,604	\$ 12,335
Other	1,149	860
Liabilities of discontinued operations	\$ 13,753	\$ 13,195
Total accumulated nonowner changes other than earnings	\$ 186	\$ 633

3. Revenues from services are summarized in the following table.

<i>(In millions)</i>	Three months ended	
	March 31	
	2006	2005
Interest on loans	\$ 5,273	\$ 4,838
Operating lease rentals	2,885	2,730
Investment income	291	291
Fees	968	841
Financing leases	987	1,010
Other income	2,844	2,410
Total	\$ 13,248	\$ 12,120

4. Financing receivables - net, consisted of the following.

<i>(In millions)</i>	At	
	3/31/06	12/31/05
Loans, net of deferred income	\$ 224,317	\$ 226,113
Investment in financing leases, net of deferred income	62,722	63,024
	287,039	289,137
Less allowance for losses	(4,483)	(4,570)
Financing receivables - net	\$ 282,556	\$ 284,567

Included in the above are the financing receivables of consolidated, liquidating securitization entities as follows:

<i>(In millions)</i>	At	
	3/31/06	12/31/05
Loans, net of deferred income	\$ 14,755	\$ 15,868
Investment in financing leases, net of deferred income	131	769
	14,886	16,637
Less allowance for losses	(22)	(22)
Financing receivables - net	\$ 14,864	\$ 16,615

5. Intangible assets - net, consisted of the following.

<i>(In millions)</i>	At	
	3/31/06	12/31/05
Goodwill	\$ 21,200	\$ 21,161
Intangible assets subject to amortization	1,919	1,925
Total	\$ 23,119	\$ 23,086

(13)

First quarter 2006 changes in goodwill balances follow.

<i>(In millions)</i>	2006				Total
	GE Commercial Finance	GE Consumer Finance	GE Industrial^(a)	GE Infrastructure^(a)	
Balance January 1	\$ 10,445	\$ 9,184	\$ 1,406	\$ 126	\$ 21,161
Acquisitions/purchase accounting adjustments	85	53	(3)	-	135
Currency exchange and other	(11)	(82)	(3)	-	(96)
Balance March 31	\$ 10,519	\$ 9,155	\$ 1,400	\$ 126	\$ 21,200

(a) Included only portions of the segment that are financial services businesses.

The amount of goodwill related to new acquisitions recorded during the first quarter of 2006 was \$68 million. During 2006, we increased goodwill associated with previous acquisitions by \$67 million.

Intangible Assets Subject to Amortization

<i>(In millions)</i>	At 3/31/06			At 12/31/05		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
Capitalized software	\$ 1,501	\$ (822)	\$ 679	\$ 1,453	\$ (784)	\$ 669
Patents, licenses and trademarks	479	(277)	202	495	(272)	223
All other	1,828	(790)	1,038	1,774	(741)	1,033
Total	\$ 3,808	\$ (1,889)	\$ 1,919	\$ 3,722	\$ (1,797)	\$ 1,925

Amortization expense related to intangible assets subject to amortization was \$111 million and \$96 million for the quarters ended March 31, 2006 and 2005, respectively.

(14)

6. Borrowings are summarized in the following table.

<i>(In millions)</i>	At	
	3/31/06	12/31/05
Short-Term Borrowings		
Commercial paper		
U.S.		
Unsecured	\$ 54,941	\$ 60,640
Asset-backed ^(a)	8,157	9,267
Non-U.S.	24,870	20,456
Current portion of long-term debt ^{(b)(c)}	38,648	41,744
Other	17,392	17,572
Total	144,008	149,679
Long-Term Borrowings		
Senior notes		
Unsecured	193,363	182,654
Asset-backed ^(d)	5,899	6,845
Extendible notes ^(e)	13,984	14,022
Subordinated notes ^(f)	2,666	2,685
Total	215,912	206,206
Total borrowings	\$ 359,920	\$ 355,885

(a) Entirely obligations of consolidated, liquidating securitization entities. See note 8.

(b) Included short-term borrowings by consolidated, liquidating securitization entities of \$732 million and \$697 million at March 31, 2006 and December 31, 2005, respectively. See note 8.

(c) Included \$250 million of subordinated notes guaranteed by GE at both March 31, 2006, and December 31, 2005.

(d) Asset-backed senior notes were all issued by consolidated, liquidating securitization entities. See note 8.

(e) Included \$38 million of obligations of consolidated, liquidating securitization entities at December 31, 2005. See note 8.

(f) Included \$450 million of subordinated notes guaranteed by GE at both March 31, 2006, and December 31, 2005.

7. A summary of increases (decreases) in shareowner's equity that did not result directly from transactions with the shareowner, net of income taxes, follows.

Three months ended

<i>(In millions)</i>	March 31	
	2006	2005
	(Restated)	(Restated)
Net earnings	\$ 2,472	\$ 2,283
Investment securities - net	(163)	(402)
Currency translation adjustments - net	(299)	233
Cash flow hedges - net	214	138
Minimum pension liabilities - net	(10)	(6)
Total	\$ 2,214	\$ 2,246

(15)

8. We securitize financial assets in the ordinary course of business to improve shareowner returns. The securitization transactions we engage in are similar to those used by many financial institutions. Beyond improving returns, these securitization transactions serve as funding sources for a variety of diversified lending and securities transactions. Historically, we have used both GE-supported and third-party entities to execute securitization transactions funded in the commercial paper and term bond markets.

Securitized assets that are on-balance sheet include assets consolidated upon adoption of Financial Accounting Standards Board (FASB) Interpretation No. (FIN) 46, *Consolidation of Variable Interest Entities*, as amended. Although we do not control these entities, consolidation was required because we provided a majority of the credit and liquidity support for their activities. A majority of these entities were established to issue asset-backed securities, using assets that were sold by us and by third parties. These entities differ from others included in our consolidated financial statements because the assets they hold are legally isolated and are unavailable to us under any circumstances. Repayment of their liabilities depends primarily on cash flows generated by their assets. Because we have ceased transferring assets to these entities, balances will decrease as the assets repay. We refer to these entities as “consolidated, liquidating securitization entities.”

The following table represents assets in securitization entities, both consolidated and off-balance sheet.

<i>(In millions)</i>	At	
	3/31/06	12/31/05
Receivables secured by:		
Equipment	\$ 11,309	\$ 12,949
Commercial real estate	10,786	11,437
Residential real estate	8,083	8,882
Other assets	13,079	12,869
Credit card receivables	10,973	10,039
Total securitized assets	\$ 54,230	\$ 56,176

<i>(In millions)</i>	At	
	3/31/06	12/31/05
Off-balance sheet ^{(a)(b)}	\$ 38,377	\$ 38,272
On-balance sheet ^(c)	15,853	17,904
Total securitized assets	\$ 54,230	\$ 56,176

(a) At March 31, 2006 and December 31, 2005, liquidity support amounted to \$2,159 million and \$1,931 million, respectively. These amounts are net of \$2,308 million and \$2,450 million, respectively, participated or deferred beyond one year. Credit support amounted to \$4,051 million and \$4,386 million at March 31, 2006 and December 31, 2005, respectively.

(b) Liabilities for recourse obligations related to off-balance sheet assets were \$63 million and \$93 million at March 31, 2006 and December 31, 2005, respectively.

(c) At March 31, 2006 and December 31, 2005, liquidity support amounted to \$8,768 million and \$10,044 million, respectively. These amounts are net of \$34 million and \$138 million, respectively, participated or deferred beyond one year. Credit support amounted

to \$3,893 million and \$4,780 million at March 31, 2006 and December 31, 2005, respectively.

The portfolio of financing receivables consisted of loans and financing lease receivables secured by equipment, commercial and residential real estate and other assets; and credit card receivables. Examples of these assets include

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loans and leases on manufacturing and transportation equipment, loans on commercial property, commercial loans, and balances of high credit quality accounts from sales of a broad range of products and services to a diversified customer base.

Assets in consolidated, liquidating securitization entities are shown in the following captions in the Condensed Statement of Financial Position.

(In millions)	At	
	3/31/06	12/31/05
Financing receivables - net (note 4)	\$ 14,864	\$ 16,615
Other	989	1,289
Total	\$ 15,853	\$ 17,904

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

2007 Restatement

As discussed in the explanatory note to this Form 10-Q/A and in note 1 to our financial statements, we are restating financial statements and other financial information for the three months ended March 31, 2006 and 2005. The restatement adjusts our accounting for interest rate swap transactions related to a portion of the commercial paper issued by GECC, and General Electric Capital Services, Inc. (GECS), from January 1, 2001, the date we adopted Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended. The restatement has no effect on our cash flows or liquidity, and its effects on our financial position at the ends of the respective restated periods are immaterial.

Interest rate swaps - agreements under which we pay a fixed rate of interest and receive a floating rate of interest on an agreed notional amount - are used in meeting our objective of managing interest rate risk related to our commercial paper program. Many of our financial assets - such as loans and leases - have long-term, fixed-rate yields, and funding them with proceeds of commercial paper would expose us to interest rate risk. Interest rate swaps are used to manage this risk. We use commercial paper in connection with interest rate swaps because that financing structure is highly effective at fixing interest rates, enabling us to match fixed rate assets with fixed rate funding (or "match funding") provided by the hedged commercial paper. Consistent with our hedge documentation, we had measured and recognized hedge ineffectiveness each reporting period in accordance with the requirements of SFAS 133. We had never used the short-cut treatment provided for in SFAS 133 for any of these hedges.

The following table sets forth the effects of the errors in accounting for interest rate swaps related to our commercial paper hedging program, more fully described beginning on page 3, on our previously reported earnings for the three months ended March 31, 2006 and 2005.

<i>(In millions)</i>	Increase in earnings from continuing operations	
	Three months ended March 31	
	2006	2005
Total adjustment	\$ 118	\$ 206
Previously reported earnings from continuing operations	\$ 2,226	\$ 1,828
Percent variation from previously reported earnings from continuing operations	5.3%	11.3%

Changes to our previously reported earnings detailed above reflect the volatility resulting from recognizing changes in the fair value of our commercial paper interest rate swaps immediately in earnings, rather than recording them in earnings over the remaining term of the hedging relationship. Values of these swaps move directly with changes in interest rates: increases in interest rates produce positive earnings effects from fair value gains on the interest rate swaps, as the amount of cash we receive on the swaps' variable cash flow stream increases versus its fixed payment stream; similarly, negative earnings effects result from fair value losses on the swaps associated with decreases in interest rates as the amount of cash received on the swaps' variable cash flow stream decreases versus its fixed payment stream. As these swaps are used in match funding arrangements, which protect against the economic exposure to changes in interest rates, there are offsetting fair value changes associated with the related fixed rate assets. Because fair value changes related to fixed rate assets are not recognized in earnings under the current accounting model, the elimination of hedge accounting through correction of the error presents the current earnings effects of only one of two equal and offsetting components of the economic relationship.

A. Results of Operations

In the accompanying analysis of financial information, we sometimes use information derived from consolidated financial information but not presented in our financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under the U.S. Securities and Exchange Commission (SEC) rules. For such measures, we have provided supplemental explanations and reconciliations in Exhibit 99 to this report on Form 10-Q.

Unless otherwise indicated, we refer to captions such as revenues and earnings from continuing operations simply as "revenues" and "earnings" throughout this Management's Discussion and Analysis. Similarly, discussion of other matters in our consolidated financial statements relates to continuing operations unless otherwise indicated.

Overview

Restated revenues for the first quarter of 2006 were \$14.0 billion, a \$0.9 billion (7%) increase over the first quarter of 2005. Revenues for the first quarters of 2006 and 2005 included \$0.4 billion and \$0.1 billion of revenue from acquisitions, respectively, and in 2006 were reduced by \$0.3 billion as a result of dispositions. Revenues increased \$0.2 billion and \$0.3 billion in the first quarters of 2006 and 2005, respectively, related to the 2007 restatement. Revenues also increased \$0.9 billion compared with the first quarter of 2005 as a result of organic revenue growth, partially offset by the strengthening U.S. dollar. Organic revenue growth excludes the effects of acquisitions, business dispositions (other than dispositions of businesses acquired for investment) and currency exchange rates. Restated earnings were \$2.3 billion, up 15% from \$2.0 billion in the first quarter of 2005.

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Overall, acquisitions contributed \$0.4 billion and \$1.0 billion to total revenues in the first quarters of 2006 and 2005, respectively. Our total net earnings in each of the first quarters of 2006 and 2005 included approximately \$0.1 billion from acquired businesses. We integrate acquisitions as quickly as possible. Only revenues and earnings from the date we complete the acquisition through the end of the fourth following quarter are attributed to such businesses. Dispositions also affected our operations through lower revenues of \$0.3 billion and \$0.1 billion in the first quarters of 2006 and 2005, respectively. The effect on earnings was inconsequential in each of the first quarters of 2006 and 2005.

The restated provision for income taxes was \$0.4 billion for the first quarter of 2006 (effective tax rate of 14.5%), compared with \$0.3 billion for the first quarter of 2005 (effective tax rate of 12.3%). The tax rate increased primarily as a result of the absence of the one-time benefit that resulted from the 2005 reorganization of our foreign aircraft leasing operations, partially offset by growth in lower-taxed earnings from global operations.

Segment Operations

Operating segments comprise our four businesses focused on the broad markets they serve: GE Commercial Finance, GE Consumer Finance, GE Industrial and GE Infrastructure. For segment reporting purposes, certain financial services businesses are included in the industrial operating segments that actively manage such businesses and report their results for internal performance measurement purposes. These include Aviation Financial Services, Energy Financial Services and Transportation Finance reported in the GE Infrastructure segment, and Equipment Services reported in the GE Industrial segment.

GECC corporate items and eliminations include the effects of eliminating transactions between operating segments; results of our insurance activities remaining in continuing operations; results of liquidating businesses such as consolidated, liquidating securitization entities; underabsorbed corporate overhead; certain non-allocated amounts determined by the Chief Executive Officer; and a variety of sundry items. GECC corporate items and eliminations is not an operating segment. Rather, it is added to operating segment totals to reconcile to consolidated totals on the financial statements.

The Chief Executive Officer allocates resources to, and assesses the performance of operations at the consolidated GE-level. GECC operations are a portion of those segments. We present below in their entirety the four GE segments that include financial services operations. We also provide a one-line reconciliation to GECC-only results, the most significant component of which is the elimination of GE businesses that are not financial services businesses. In addition to providing information on GE segments in their entirety, we have also provided supplemental information for certain businesses within the GE segments. Our Chief Executive Officer does not separately assess the performance of, or allocate resources among, these product lines.

Segment profit is determined based on internal performance measures used by the Chief Executive Officer to assess the performance of each business in a given period. In connection with that assessment, the Chief Executive Officer may exclude matters such as charges for restructuring; rationalization and other similar expenses; in-process research and development and certain other acquisition-related charges and balances; technology development costs; certain gains and losses from dispositions; and litigation settlements or other charges, responsibility for which preceded the current management team.

Segment profit always excludes the effects of principal pension plans, results reported as discontinued operations and accounting changes. Segment profit excludes or includes interest and other financial charges and income taxes according to how a particular segment's management is measured - excluded in determining segment

profit, which we refer to as “operating profit,” for GE Healthcare, GE NBC Universal and the industrial businesses of the GE Industrial and GE Infrastructure segments; included in determining segment profit, which we refer to as “net earnings,” for GE Commercial Finance, GE Consumer Finance, and the financial services businesses of the GE Industrial segment (Equipment Services) and the GE Infrastructure segment (Aviation Financial Services, Energy Financial Services and Transportation Finance).

In addition to providing information on segments in their entirety, we have also provided supplemental information for certain businesses within the segments.

Summary of Operating Segments

<i>(In millions)</i>	Three months ended	
	March 31	
	(Unaudited)	
	2006	2005
	(Restated)	(Restated)
Revenues		
GE Commercial Finance	\$ 5,484	\$ 5,072
GE Consumer Finance	5,090	4,689
GE Industrial	8,140	7,668
GE Infrastructure	10,152	9,374
Total segment revenues	28,866	26,803
GECC corporate items and eliminations, as restated ^(a)	654	851
Total revenues	29,520	27,654
Less portion of GE revenues not included in GECC	(15,537)	(14,533)
Total revenues in GECC	\$ 13,983	\$ 13,121
Segment profit		
GE Commercial Finance	\$ 1,174	\$ 926
GE Consumer Finance	836	735
GE Industrial	600	526
GE Infrastructure	1,703	1,540
Total segment profit	4,313	3,727
GECC corporate items and eliminations, as restated	72	174
Less portion of GE segment profit not included in GECC	(2,041)	(1,867)
Earnings in GECC from continuing operations	2,344	2,034
Earnings in GECC from discontinued operations, net of taxes	128	249
Total net earnings in GECC	\$ 2,472	\$ 2,283

(a) Primarily revenues associated with our insurance activities remaining in continuing operations that were previously reported in the GE Commercial Finance segment.

GE Commercial Finance

<i>(In millions)</i>	Three months ended		
	March 31		
	2006	2005	
Revenues	\$ 5,484	\$ 5,072	
Less portion of GE Commercial Finance not included in GECC	(179)	(151)	
Total revenues in GECC	\$ 5,305	\$ 4,921	
Segment profit	\$ 1,174	\$ 926	
Less portion of GE Commercial Finance not included in GECC	(81)	(77)	
Total segment profit in GECC	\$ 1,093	\$ 849	

<i>(In millions)</i>	At		
	3/31/06	3/31/05	12/31/05
Total assets	\$ 195,209	\$ 187,626	\$ 190,546
Less portion of GE Commercial Finance not included in GECC	(1,880)	1,490	(1,408)
Total assets in GECC	\$ 193,329	\$ 189,116	\$ 189,138

<i>(In millions)</i>	Three months ended		
	March 31		
	2006	2005	
Revenues in GE			
Capital Solutions	\$ 2,820	\$ 2,889	
Real Estate	1,075	898	
Segment profit in GE			
Capital Solutions	\$ 339	\$ 286	
Real Estate	441	310	

<i>(In millions)</i>	At		
	3/31/06	3/31/05	12/31/05
Assets in GE			
Capital Solutions	\$ 88,661	\$ 86,230	\$ 87,306
Real Estate	37,566	36,299	35,323

GE Commercial Finance revenues and net earnings increased 8% and 27%, respectively, compared with the first quarter of 2005. Revenues for the first quarters of 2006 and 2005 included \$0.2 billion and \$0.1 billion from acquisitions, respectively, and in 2006 were reduced by \$0.2 billion as a result of dispositions. Revenues for the

quarter also increased \$0.4 billion compared with the first quarter of 2005 as a result of organic revenue growth (\$0.5 billion), partially offset by the strengthening U.S. dollar (\$0.1 billion). The increase in net earnings resulted primarily from core growth (\$0.2 billion), including growth in lower-taxed earnings from global operations.

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GE Consumer Finance

<i>(In millions)</i>	Three months ended	
	March 31	
	2006	2005
Revenues	\$ 5,090	\$ 4,689
Less portion of GE Consumer Finance not included in GECC	-	-
Total revenues in GECC	\$ 5,090	\$ 4,689
Segment profit	\$ 836	\$ 735
Less portion of GE Consumer Finance not included in GECC	(23)	(4)
Total segment profit in GECC	\$ 813	\$ 731

<i>(In millions)</i>	3/31/06	At	
		3/31/05	12/31/05
Total assets	\$ 158,508	\$ 149,912	\$ 158,829
Less portion of GE Consumer Finance not included in GECC	749	(768)	763
Total assets in GECC	\$ 159,257	\$ 149,144	\$ 159,592

GE Consumer Finance revenues and net earnings increased 9% and 14%, respectively, compared with the first quarter of 2005. Revenues for the first quarter of 2006 included \$0.2 billion from acquisitions. Revenues for the quarter also increased \$0.2 billion compared with the first quarter of 2005 as a result of organic revenue growth (\$0.4 billion), partially offset by the strengthening U.S. dollar (\$0.2 billion). The increase in net earnings resulted primarily from acquisitions (\$0.1 billion).

GE Industrial

<i>(In millions)</i>	Three months ended	
	March 31	
	2006	2005
Revenues	\$ 8,140	\$ 7,668
Less portion of GE Industrial not included in GECC	(6,506)	(6,094)
Total revenues in GECC	\$ 1,634	\$ 1,574
Segment profit	\$ 600	\$ 526
Less portion of GE Industrial not included in GECC	(584)	(516)
Total segment profit in GECC	\$ 16	\$ 10
Revenues in GE		
Consumer & Industrial	\$ 3,534	\$ 3,261
Equipment Services	1,634	1,574
Plastics	1,644	1,648

Segment profit in GE

Consumer & Industrial	\$	220	\$	165
Equipment Services		16		10
Plastics		225		240

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GE Industrial revenues rose 6%, or \$0.5 billion, in the first quarter of 2006 as higher volume (\$0.5 billion) was partially offset by the strengthening U.S. dollar (\$0.1 billion) at the industrial businesses in the segment. The increase in volume was primarily at Consumer & Industrial and at Security which acquired Edwards Systems Technology late in the first quarter of 2005. Revenues at Equipment Services also increased as a result of organic revenue growth (\$0.1 billion).

Segment profit rose 14%, or \$0.1 billion, in the first quarter of 2006 as productivity (\$0.2 billion), primarily at Consumer & Industrial and Plastics, was partially offset by higher material and other costs (\$0.1 billion), primarily at Consumer & Industrial. Segment profit was unaffected by price as higher prices at Consumer & Industrial offset lower prices at Plastics.

GE Infrastructure

<i>(In millions)</i>	Three months ended	
	March 31	
	2006	2005
Revenues	\$ 10,152	\$ 9,374
Less portion of GE Infrastructure not included in GECC	(8,852)	(8,288)
Total revenues in GECC	\$ 1,300	\$ 1,086
Segment profit	\$ 1,703	\$ 1,540
Less portion of GE Infrastructure not included in GECC	(1,353)	(1,270)
Total segment profit in GECC	\$ 350	\$ 270
Revenues in GE		
Aviation	\$ 3,041	\$ 2,590
Aviation Financial Services	934	817
Energy	3,835	3,951
Energy Financial Services	301	228
Oil & Gas	772	641
Transportation	1,023	756
Segment profit in GE		
Aviation	\$ 645	\$ 527
Aviation Financial Services	206	163
Energy	436	577
Energy Financial Services	117	94
Oil & Gas	55	27
Transportation	204	82

GE Infrastructure revenues increased 8%, or \$0.8 billion, in the first quarter of 2006 as higher volume (\$0.8 billion) was partially offset by the strengthening U.S. dollar (\$0.1 billion) and lower prices (\$0.1 billion) at the industrial businesses of the segment. The increase in volume reflects increased sales of commercial and military services and commercial engines at Aviation and increased locomotive sales at Transportation, partially offset by lower sales at Energy. Energy sold 21 large heavy-duty gas turbines in the first quarter of 2006, compared with 34 in the corresponding period of 2005. Revenues also increased as a result of organic revenue growth at Aviation Financial Services (\$0.1 billion) and Energy Financial Services (\$0.1 billion).

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Segment profit rose 11%, or \$0.2 billion, as productivity (\$0.2 billion) and higher volume (\$0.1 billion) were partially offset by higher material and other costs (\$0.1 billion) and lower prices (\$0.1 billion) at the industrial businesses of the segment. We realized productivity improvements at Transportation and Aviation. Volume increases were primarily at Aviation. Segment profit from the financial services businesses increased \$0.1 billion as a result of core growth at Aviation Financial Services and Energy Financial Services, despite the absence of a 2006 counterpart to the 2005 one-time benefits from our aircraft leasing reorganization.

Discontinued Insurance Operations

<i>(In millions)</i>	Three months ended	
	March 31	
	2006	2005
Earnings in GECC from discontinued operations, net of \$ taxes	128	\$ 249

In 2006, we continue to reduce our exposure to insurance in a disciplined fashion. In March 2006, we initiated a plan to sell GE Life, our U.K.-based life insurance operation. We have provided for a pre-tax loss of \$0.2 billion (\$0.2 billion after tax) based on our best estimate of sales proceeds. We anticipate selling GE Life by March 31, 2007.

In March 2006, we completed the sale of our remaining 18% investment in Genworth Financial, Inc. (Genworth) through a secondary public offering of 71 million shares of Class A Common Stock and direct sale to Genworth of 15 million shares of Genworth Class B Common Stock. As a result, we recognized a pre-tax gain of \$0.5 billion (\$0.3 billion after tax).

Discontinued operations comprise GE Life, our U.K.-based life insurance operation and Genworth, our formerly wholly-owned subsidiary that conducted most of our consumer insurance business, including life and mortgage insurance operations. Results of these businesses are reported as discontinued operations for all periods presented.

Earnings from discontinued operations net of taxes for the first quarter of 2006 reflected the gain on the sale of our remaining 18% investment in Genworth common stock (\$0.3 billion), partially offset by the estimated loss on the planned sale of GE Life (\$0.2 billion). GE Life results will be included in our discontinued operations until a transaction is completed. We anticipate selling GE Life by March 31, 2007.

Earnings from discontinued operations net of taxes for the first quarter of 2005 reflected our share of Genworth 2005 earnings from operations (\$0.2 billion) and the gain related to Genworth's secondary public offering (\$0.1 billion).

B. Statement of Financial Position

Overview of Financial Position

Major changes in our financial position resulted from the following:

- During the first quarter of 2006, we completed the sale of our remaining 18% investment in Genworth common stock and we initiated a plan to sell GE Life. We have separately reported the assets and liabilities related to these discontinued operations for all periods presented.

The U.S. dollar was stronger at March 31, 2006, than it was at December 31, 2005, reducing the translated levels of our non-U.S. dollar assets and liabilities.

Investment securities comprise mainly available-for-sale investment-grade debt securities supporting obligations to annuitants and policyholders. We regularly review investment securities for impairment based on criteria that include the extent to which cost exceeds market value, the duration of that market decline, our intent and ability to hold to recovery and the financial health and specific prospects for the issuer. Of available-for-sale securities with unrealized losses at March 31, 2006, an inconsequential amount was at risk of being charged to earnings in the next 12 months. Impairment losses were inconsequential for each of the first quarters of 2006 and 2005.

Financing receivables is our largest category of assets and represents one of our primary sources of revenues. The portfolio of financing receivables, before allowance for losses, was \$287.0 billion at March 31, 2006, and \$289.1 billion at December 31, 2005. The related allowance for losses at March 31, 2006, amounted to \$4.5 billion compared with \$4.6 billion at December 31, 2005, representing our best estimate of probable losses inherent in the portfolio. A discussion of the quality of certain elements of the financing receivables portfolio follows. For purposes of that discussion, “delinquent” receivables are those that are 30 days or more past due; and “nonearning” receivables are those that are 90 days or more past due (or for which collection has otherwise become doubtful).

Financing receivables, before allowance for losses, decreased \$2.1 billion from December 31, 2005, primarily as a result of securitization and sales (\$5.2 billion), loans transferred to assets held for sale (\$1.1 billion) and the strengthening U.S. dollar (\$0.9 billion), partially offset by core growth (\$4.7 billion) and acquisitions (\$1.1 billion). Related nonearning receivables were \$4.2 billion at March 31, 2006, compared with \$4.1 billion at year-end 2005, both representing 1.4% of outstanding receivables, respectively. This increase was primarily related to higher nonearning receivables in our European secured financing business at GE Consumer Finance, a business that tends to experience relatively higher delinquencies but lower losses than the rest of our consumer portfolio, partially offset by decreases in our U.S. portfolio resulting from an improving economic environment.

Delinquency rates on managed GE Commercial Finance equipment loans and leases and managed GE Consumer Finance financing receivables follow.

	Delinquency rates at		
	3/31/06(a)	12/31/05	3/31/05
GE Commercial Finance	1.31%	1.31%	1.54%
GE Consumer Finance	5.14	5.08	5.18

(a) Subject to update.

Delinquency rates at GE Commercial Finance decreased from March 31, 2005, to March 31, 2006, primarily resulting from improved credit quality across all portfolios.

Delinquency rates at GE Consumer Finance increased from December 31, 2005, to March 31, 2006, as a result of seasonality in consumer spending and higher delinquencies in our European secured financing business, discussed above, partially offset by decreases in our U.S. portfolio resulting from an improving economic environment. The decrease from March 31, 2005, to March 31, 2006, reflected improved economic conditions, partially offset by higher delinquencies in our European secured financing business, discussed above.

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C. Debt Instruments

During the first quarter of 2006, GECC and GECC affiliates issued \$24 billion of senior, unsecured long-term debt. This debt was both fixed and floating rate and was issued to institutional and retail investors in the U.S. and 13 other global markets. Maturities for these issuances ranged from one to forty years. We used the proceeds primarily for repayment of maturing long-term debt, but also to fund acquisitions and organic growth. We anticipate that we will issue between \$31 billion and \$41 billion of additional long-term debt during the remainder of 2006, mostly to repay maturing long-term debt. The ultimate amount we issue will depend on our needs and on the markets.

Item 4. Controls and Procedures

In connection with the restatement discussed above in the explanatory note to this Form 10-Q/A and in note 1 to our financial statements, under the direction of our Chief Executive Officer and Chief Financial Officer, we reevaluated our disclosure controls and procedures. We identified a material weakness in our internal control over financial reporting with respect to accounting for hedge transactions, namely, that we did not have adequately designed procedures to designate, with the specificity required under SFAS 133, each hedged commercial paper transaction. Solely as a result of this material weakness, we concluded that our disclosure controls and procedures were not effective as of March 31, 2006.

As of January 1, 2007, we modified our commercial paper hedging program and adopted documentation for interest rate swaps that we believe complies with the requirements of SFAS 133 and remediated the related internal control weakness. In connection with this amended Form 10-Q, under the direction of our Chief Executive Officer and Chief Financial Officer, we have evaluated our disclosure controls and procedures as currently in effect, including the remedial actions discussed above, and we have concluded that, as of this date, our disclosure controls and procedures are effective.

As previously reported, there was no change in our internal control over financial reporting during the quarter ended March 31, 2006, that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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Part II. Other Information

Item 6. Exhibits

Exhibit 12	Computation of Ratio of Earnings to Fixed Charges and Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.*
Exhibit 31(a)	Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Amended.*
Exhibit 31(b)	Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Amended.*
Exhibit 32	Certification Pursuant to 18 U.S.C. Section 1350.*
Exhibit 99	Financial Measures that Supplement Generally Accepted Accounting Principles.

* Filed electronically herewith.

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

General Electric Capital Corporation

(Registrant)

January 19, 2007
Date

/s/ Philip D. Ameen
Philip D. Ameen
Senior Vice President and Controller
Duly Authorized Officer and Principal Accounting
Officer

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